CANADA'S WEEKLY NEWSMAGAZINE MAY 14, 1990 $2.25

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LONELY LADY



Margaret Thatcher Suffers A Setback At Home—And Loses Friends Abroad

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CANADA'S WEEKLY NEWSMAGAZINE MAY 14 1990 VOL 103 NO 20

CONTENTS

2 EDITORIAL

4 LETTERS/PASSAGES

10 OPENING NOTES
Pierre Trudeau tinkers with another constitution; Telefilm Canada avoids an avalanche, Liberal delegates in U.S.-made cowboy hats, Alfred Sung checks his spelling; Derek Burney, good-luck charm; claims ruffle Reader's Digest, John Burns regains his all star lustre; how Fat Albert took to the air.

13 COLUMN/BARBARA AMIEL

14 CANADA
Police enter a reserve after two residents are killed, a committee gropes for a Meech Lake solution; Jean Chrétien seems a shoo-in.

24 WORLD
Pretoria and the ANC hold first talks; angry protests mar May Day celebrations in Moscow, an American hostage goes home.

34 COVER

42 BUSINESS
Donald Trump denies he is short of cash; an attempt to stop a Belzberg takeover.

52 BUSINESS WATCH/PETER C. NEWMAN

53 PEOPLE

54 ENVIRONMENT
New challenges for the packaging industry.

58 HEALTH
The AIDS virus spreads in new directions

60 SCIENCE
Exploring history in Lake Ontario.

64 THEATRE
A dramatic breakthrough for three plays.

67 BOOKS
Sondra Gotlieb chronicles her diplomatic ups and downs in Washington Rollercoaster.

69 FILMS
An Italian absurdist comedy and an erotic French thriller offer tantalizing fare.

72 FOTHERINGHAM



COVER

LONELY LADY

In the biggest test of British public opinion since 1987, Margaret Thatcher's Tories received just 31 per cent of the vote in nationwide local elections. Capitalizing on a wave of discontent with a controversial new poll tax—and with Thatcher herself—the opposition Labour Party won 42 per cent of the vote, increasing leader Neil Kinnock's chances of becoming the next prime minister — 34

BUSINESS

LOSSES FOR WORDS

After several years of prosperity, North American newspapers and magazines are beginning to feel the pinch of declining revenues, as more and more corporations cut back on their advertising budgets. And while most publications can expect to survive the crunch, some have closed and others may follow. — 42





MUSIC

A REBEL'S RETURN

In 1976, at the peak of his career, country singer Stompin' Tom Connors retired from public performance, decrying the music industry's lack of support for Canadian talent. Now, the 54-year-old musician is back, kicking off a 70-date national tour—and his new crusade for Canadian culture. — 62

COVER PHOTO BY JORGENSEN/REX FEATURES PONOPRESSE

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Lonely At The Top

Prime Minister Margaret Thatcher's standing in the polls is lower than any politician would be comfortable with. Many of her once-heralded domestic reforms, restoring the essence of free-enterprise capitalism to a largely socialized state, are beginning to sour. Violent demonstrations against her government's taxation changes and growing anger among the dispossessed are just two of the major problems that she faces. An increasing number of critics, within Britain and outside, say that the Iron Lady is simply a leader whom time has passed by. And the opposition Labour Party's landslide victory in last week's municipal elections makes clear just how deep domestic disenchantment with Thatcher has become. But, for all that, she remains a lady whose clarity of vision and courage in pursuing it are models of political behavior in the jaded, poll-driven closing years of the 20th century.

Thatcher is currently embroiled in a historic debate over the future of Western Europe. The 12-member European Community is making a headlong rush towards political unity in 1992. It is, in many ways, a commendable and attractive ideal. But it is also a fuzzy concept and it could have profound, eventually unacceptable consequences for every country involved. Thatcher alone has refused to join the stampede to union until all its implications are crystal clear to all the states involved—particularly the degree of sovereignty that they would have to surrender in a centralized Europe. Her resistance has drawn the opprobrium of her fellow leaders and a large part of her domestic constituency. But she gives every indication that she believes that her first duty is to guarantee the future integrity of Parliament and the monarchy. And, however lonely that position becomes, it is the only realistic stance for the leader of one of the world's great democracies, facing one of the century's most profound decisions.



N.C.K.SONY/PHOTO

Maclean's *London Bureau Chief Andrew Phillips a historic debate over the future*

Kevin Doyle

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LETTERS

A QUESTION OF RESPONSIBILITY

The cover of the April 30 issue ("The cost of greening") asks the question "Who will pay the billions for cleaning up the planet?" The answer is, obviously, all of those who made the billions polluting it

Anne Renault,
Toronto

You missed the point in "The cost of going green" (Cover, April 30) As you note, Informetrica Ltd and other institutions focus on the costs—for example, $70 2 billion to meet current regulations over 10 years—of cleaning up and protecting the environment. However, there is no mention of the costs, to present or future generations, of *not* cleaning up To live in a country with an ecologically healthy environment, perhaps that $70 2 billion should be viewed as an investment opportunity (with a high rate of return, in terms of future survival)

Gerald Andrews,
Ottawa

CANADIANS MUST LEAD

Thank you, Peter Newman, for providing us ordinary Canadians with some direction concerning our Meech crisis ("Standing by is not enough," Business Watch, April 16) Certainly, our politicians, with the exception of Frank McKenna, are not guiding us Provincial ambitions are about to destroy 123 years of Confederation and continue to build walls instead of bridges As Newman states, our children will one day ask what we did during the great Meech Lake debate. One hopes the reply will be that ordinary Canadians saved the day

Brian McGarry,
Ottawa

Tragically, the politicians have created the impression that Meech Lake is either an acceptance or rejection of Quebec. There are exceptionally few people in Canada who do not recognize the importance of Quebec as part of the whole of a strong Canada We want and need the people of that province to continue the contribution they have made The opponents are saying the results of the all-night session are terribly flawed and should be changed so we have a firm foundation on which to build the future We want to show the world that, while we may have different cultures and views, we know we have one of the greatest countries in the world and we want it to remain so

William Logan,
Regina

Peter Newman writes that "Brian Mulroney's impassioned television plea was eloquent enough, but too late to reverse the forces already in play." Eloquent enough for what? The evening he delivered it, the government's popularity stood at 19 per cent and is bound to fall lower I was also bemused to hear the Prime Minister say, "I believe that Canadians want to participate themselves in the resolution of this great national issue." Had he wanted public input and participation, Mulroney would have invited it at the outset Too late now to play the populist card; it merely invites more cynicism.

Orest Slepokura,
Strathmore, Alta.



BRIAN WALTERS/CANAPRESS

Dumping garbage: who pays for cleanup?

MISSING A FREE LUNCH

McClelland and Stewart would have been proud to attend the festivities when the Leacock award winner was announced ("Comic events in literature," Opening Notes, April 30), especially since the winner was W O. Mitchell for *According to Jake and the Kid.* When Kelly Hechler apologized for our absence, saying that "we seemed to have lost our invitation," she was being gracious In fact, neither I nor anyone else here received an invitation and consequently none of us undertook to attend. Now, we find to our dismay that we missed not only a pleasing ceremony, but a genuine free lunch, a matter of some importance in publishing circles. At the actual award ceremonies in June, however, we will be there in force. We even plan to supply a guide for Pierre Berton

Douglas Gibson,
Publisher, McClelland and Stewart,
Toronto

PASSAGES

SENTENCED: **Charles Yacoub,** 33, the man who hijacked a Greyhound bus and forced its driver and 10 passengers onto Parliament Hill in April, 1989, to six years in prison; in Ottawa, by Ontario Supreme Court Judge **Jean-Charles Sirois.** In March, a jury found the Lebanese-born Yacoub guilty of forcible confinement and illegal use of a weapon, but acquitted him of the more serious charges of hostage-taking and aggravated assault. Yacoub said that he seized the New York City-bound bus in Montreal to publicize the plight of Christians living in Lebanon. He fired three shots during the five hours he held the bus just a few metres away from the House of Commons, but no one was injured in the incident.



GARY/CANAPRESS

CONVICTED: Canadians **David Spencer,** 26, and his girlfriend, **Christine Lamont,** 31, of kidnapping a Brazilian supermarket-chain executive, by a criminal court judge in São Paulo The judge sentenced Spencer, from Moncton, N B , to 10 years in prison, while Lamont, from Langley, B C , received an eight-year sentence They were the only non-Latin American members of a 10-member group, all of whom were convicted, that captured the businessman for a $53-million ransom. The judge dismissed the couple's claim that they were unaware the kidnap victim was held for six days in the basement of their home before he was released unharmed.

DIED: Russian Orthodox Church leader **Patriarch Pimen,** 79, of undisclosed causes, in Moscow. Patriarch Pimen, born Sergei Izvekov, became head of the now officially tolerated church in 1971, during the repressive, anti-church Brezhnev regime.

MARRIED: American novelist **Philip Roth,** 57, and British actress **Claire Bloom,** 59, after living together for 15 years, in a civil ceremony in New York. It is his second marriage, her third.

DIED: British actor **David Rappaport,** 38, a dwarf who starred in the 1981 movie *Time Bandits* and appeared on the popular TV series *L.A. Law,* of a self-inflicted gunshot wound, in Los Angeles.

MARRIED: Australian actor **Paul Hogan,** 51, and **Linda Kozlowski,** 33, his American costar in the two Crocodile Dundee movies, in Byron Bay, Australia



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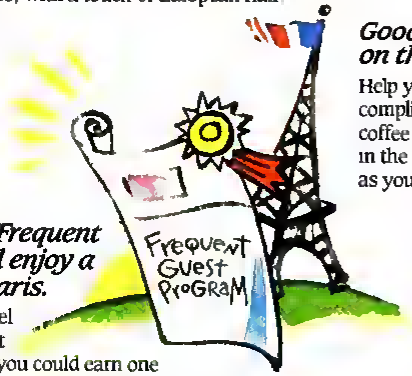
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LETTERS

ENHANCING QUALITY OF LIFE

Barbara Amiel's April 16 column, "A taxing lesson for the Iron Lady," by citing school curricula in Urdu, conferences on lesbian-only graveyards and self-defence seminars for Irish homosexuals as examples of "unwanted" left-wing plans for social engineering, is racist and homophobic. Whether such social programs are needed should be decided by the local constituencies, which may consist of significant Urdu-speaking or gay and lesbian communities where such programs will enhance quality of life by protecting marginalized populations.

Keith Wong,
Toronto

"A taxing lesson for the Iron Lady" contained at least one blatant error. Amiel claims that "those in rented accommodation . . . paid absolutely nothing" in property tax. This is no more true than is the idea that Albertans pay no sales tax. Albertans pay federal sales tax just like New Brunswickers, it is just hidden in the price. Similarly, renters pay property tax, it is just hidden in the rent.

Peter C. Desserud,
Calgary

'REPORT CARD' FAILS THE TEST

Human Rights Commissioner Maxwell Yalden thinks "proposals to administer random drug tests to federal transport . . . employees abused their individual rights" ("Rights report card," National Notes, April 9). Do not the passengers of a Boeing 747 or of a Via train have the right to demand that the people whose wages they pay are not drunk or drugged when they entrust them with their lives?

Rudy Brill,
Corunna, Ont.

A HARD HABIT TO KICK

Your article on smoking-cessation methods was interesting and timely ("Taking on tobacco," Health, April 9). However, I take exception to comments attributed to Frederick Weston of Addiction Management Systems Ltd., who contends that tobacco addiction is not the same as alcohol or heroin addiction. Numerous studies have shown that tobacco is at least as addictive as cocaine or heroin, and significantly more addictive than alcohol.

Dr. Mark C. Taylor,
Nova Scotia Representative,
Physicians for a Smoke-Free Canada,
Halifax

Letters are edited and may be condensed. Writers should supply name, address and telephone number. Mail correspondence to Letters to the Editor, Maclean's magazine, Maclean Hunter Bldg., 777 Bay St., Toronto, Ont. M5W 1A7.

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OPENING NOTES

Derek Burney becomes a good-luck charm, Pierre Trudeau pores over another constitution, and John Burns regains a star

A FEDERALIST HITS THE ROAD

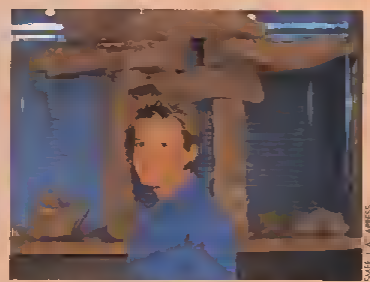


Trudeau: a flying visit to Prague

Pierre Trudeau stated his position on the Meech Lake constitutional accord earlier this year, directing withering scorn at an agreement that would recognize Quebec as a distinct society and transfer some powers from the federal government to the provinces. In highly publicized appearances in Montreal, Toronto and Ottawa, the former prime minister reiterated his commitment to a strong central government as he promoted *Towards a Just Society: The Trudeau Years*, a collection of essays that he helped edit with former aide Thomas Axworthy. In the wake of that tour, Trudeau returned to private life in Montreal, where he is associated with the law firm of Heenan, Blaikie. But, last week, Liberals in Ottawa and Montreal buzzed with reports that Trudeau was still keeping his hand in at constitution-making—this time on a flying visit to Czechoslovakia. According to several party members, the former prime minister accepted an invitation from President Vaclav Havel and visited Prague to offer advice about a new constitution for Czechoslovakia. Trudeau returned to his Montreal office last week but has not disclosed what insights he offered to a country in which tense relations between the two main national groups, Czechs and Slovaks, often recall French-English exchanges in Canada. Still, Liberal insiders are betting that a strong central government likely remains high on Trudeau's wish list—in both Ottawa and Prague.

Signpost to an artistic crisis

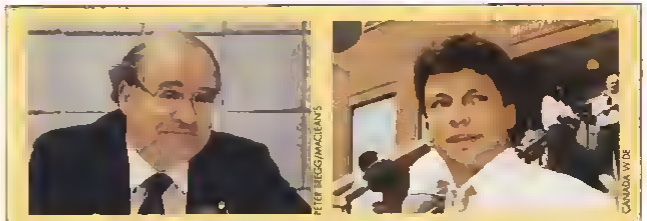
Officials at Telefilm Canada became embroiled in a weighty drama last year, when they commissioned respected Inuit sculptor David Ruben Piqtoukun to create a work of art for the federal film promotion agency's Toronto headquarters. In response, Piqtoukun created an *inukshuk*, a traditional Inuit signpost made of stones and designed to help travellers crossing the tundra. Still, receptionist Margaret Laurie expressed concern last December when workers installed the 600-lb. sculpture on a shelf just behind her desk—and four feet above her head. Said Laurie: "I just refused to sit there until they made it more secure." Telefilm officials swiftly discovered that they could not simply shift Laurie from a potential avalanche, as Piqtoukun's overall artistic concept placed the receptionist's desk close to the sculpture. As a result, he and an engineer have bolted the signpost securely to the shelf—to Laurie's satisfaction. Said Telefilm spokesman David Ellis: "Now, if there is an earthquake, the sculpture will stand—even if the building comes down." Laurie said that she is willing to work with those odds.



Laurie with mukshuk: rocks above her head

SPELLING OUT HIGH FASHION

One of Alfred Sung's hottest items for the fall season is a version of the souvenir scarf, a colorful fashion accessory imprinted with the images of such tourist spots as Victoria's Butchart Gardens, Niagara Falls and the Parliament Buildings in Ottawa. The Toronto-based designer's scarf is made of silk, bears his signature and will retail for about $50. Still, Sung's employees had to double as proofreaders before they could approve the scarves for sale: those familiar Canadian place-names were all misspelled on the first batch of samples.



Burney (left); Ciccarelli: Capital connections in the Stanley Cup playoffs

HOCKEY'S GOODWILL AMBASSADOR

Derek Burney, Canada's ambassador to the United States, has become a good-luck charm for the Washington Capitals. He did so when Capitals owner Abe Pollin noticed that, with Burney in attendance, his team had won a home game and a road game against the New Jersey Devils in the opening round of the Stanley Cup playoffs. Indeed, Washington has reached the semifinals for the first time in the team's 15-year existence, and Burney is now under pressure to attend *all* the team's remaining games. In the meantime, the ambassador recently cemented his Capital connection by donating a prize to a fund-raising benefit for local minor hockey. The winning bidder toured the Canadian Embassy in the company of Capitals forward Dino Ciccarelli. Still, the ambassador has advised the Capitals that his support has its limits: if Washington makes the final series against the Edmonton Oilers, Burney will switch his allegiance to the Canadian team.

Doffing hats to low U.S. prices

Delegates to the federal Liberal leadership convention will each receive a free cowboy hat when they register in Calgary next month. But the party's choice of headgear has sparked intense criticism from local hat-makers. A U.S. manufacturer is supplying the convention with 6,400 straw hats. Still, Liberal organizer Colin MacDonald maintained that local firms could not match the winner's low bid. Said MacDonald: "Our mandate is to work within our budget, and we could not find a good-quality, local hat under five dollars." Practicality clearly prevailed over nationalism.



Challenger cabin: no stooping in the washroom

High, wide and successful

Bombardier Inc. plans to buy Learjet Corp., of Wichita, Kan., for $87.5 million—a transaction that recalls an earlier tie between that firm's former owner, legendary aircraft designer Bill Lear, and the Montreal-based firm's Canadair Division. In 1976, Canadair, at the time a federally owned corporation, bought a Lear concept that evolved into the Challenger corporate jet. Before building that plane, however, Canadair officials conducted extensive market surveys. And former Canadair executive James Taylor recalled that many male executives—and potential customers—had suggested that passengers should be able to stand without stooping in the washroom. Said Taylor: "The key to success was not just going to the john but being able to move around and have some elbow room." Canadair officials left Lear's proposed cabin ceiling unchanged at a height of six feet, one inch, but they radically altered his concept by widening the aircraft—a change that prompted Lear to nickname the plane "Fat Albert" and leave the firm. Lear died in 1978, and his widow, Moya, said that despite the earlier dispute, her husband would have welcomed a renewed Canadair connection. In any event, Fat Albert is thriving: since 1980, Canadair has sold 214 Challengers.

MUSHROOMING OUT OF CONTROL

Continental Mushroom is one of Canada's largest mushroom producers, marketing about six million pounds of the edible fungus each year. But *Reader's Digest* recently forced the Ottawa-area firm to withdraw advertisements that featured a *Digest* endorsement of its product. According to Continental president Nicholas Pora, a *Reader's Digest* representative in Montreal had verbally approved a request to use the magazine's name. But spokeswoman Lorna Rewjakin told *Maclean's* that the *Digest* never allowed its editorial content to be used for promotional purposes and had never endorsed mushrooms as "one of the 10 most essential foods"—as the ads claimed. Some claims, like mushrooms, thrive best in the dark.

HOW TO SNAG A FOURTH STAR

John Burns, one of *The New York Times*' ablest reporters, transferred from Beijing to Toronto in 1986—only to see his ranking as an established foreign correspondent decline. *MediaGuide*, an influential U.S. publication that rates U.S. reporters each year, concluded that Burns's work had slipped "in the Canadian outback" in 1988 and reduced his four-star ranking by one star. But Burns swiftly found a way to rise in the ratings: travel widely. The guide's current issue has restored Burns to four-star status, noting that, in 1989, Burns had spent as much time "in and around Afghanistan as in Canada." Having discovered the secret of success for a U.S. correspondent based in Toronto, Burns, who is himself a Canadian, was not available to comment upon his regained ranking. The reason: he will be filing from Afghanistan for another month.



Burns: one month out of the country



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COLUMN



Bureaucrats in the bedroom

BY BARBARA AMIEL

In my view Yolanda Ballard didn't get enough money. Life in a room in Maple Leaf Gardens with Robert Redford would be hell, let alone with the late Harold Ballard All the same, I can't quite see on what grounds Yolanda will try to get the courts to vary the $50,000-a-year income Harold left her in his last will and testament.

Harold Ballard did not interrupt the career of Yolanda thus rendering him liable for compensation for all those years she missed being a nuclear physicist. Nor do I think she can claim that his wealth was due in large part to her ability to whip up a dinner for six of his business associates. I suppose she could say she developed a taste for chauffeurs and caviar—who among us would not?—but that doesn't seem quite enough to undo his final wishes.

Still, that is by the way. The only interest I have in this bleak little episode is to muse on the queer state of affairs we have reached when such intimate aspects of human relationships can be altered by the state. How can the state begin to understand the thousand-and-one permutations involved in arrangements between the sexes? As it is, I can't quite explain my own behavior in these matters, let alone that of others.

The mystery of the psychology behind sexual and emotional relationships has always demonstrated to me the sense of allowing the law to interfere in such matters as little as possible. The dynamics of how people pair-bond and attach are quite incomprehensible to outsiders, and outsiders should not be called upon to judge or comprehend such things—unless, of course, the people involved commit a criminal act. But even that bit of common sense has its limits, as contemporary fashions make criminal what common sense would make private.

In Milwaukee, Lynette Harris and her twin sister, Leigh Ann Conley, are being taken to court on criminal charges of income tax evasion. The sisters allegedly spent alternate nights with a businessman in his 80s, now deceased, for seven years. In the course of this intriguing ménage à trois, he gave the former *Playboy* models over a million dollars. The prosecution claims that it was money for sexual services and should have been reported as income. The Internal Revenue Service doesn't care whether the money was income or a gift. Its response is rote: someone, somewhere, has to pay tax.

> *How can the state begin to understand the thousand-and-one permutations involved in arrangements between the sexes?*

The implications are quite remarkable. If a woman receives gifts from her married lover for years on end, is she supposed to value every piece of lingerie and pearl necklace and pay the government a percentage? How much jewelry can a woman accept, or how many hotel rooms can be paid for her, before tax has to be paid? The line between prostitution and a loveless relationship is narrow at best and becomes all but invisible over an extended period of time.

Meanwhile, in Ashland, Wis., Donna Carroll faces a criminal charge of adultery. She was formerly married to Robert Carroll, a truck driver in a land where the roads are long and the lot of a truck driver's wife a lonely one. It seems that Robert Carroll brought home a friend, another truck driver who was unemployed—until, that is, he met Donna Carroll.

The divorce was bitter. When it was all over, Robert Carroll went to his local district attorney and pressed adultery charges against his former wife. Many states have criminal laws against adultery on the books and Donna, 28, now faces a possible two-year imprisonment and $11,000 or more in fines. The local district attorney sees nothing wrong with responding to Robert's wish to disinter an archaic law. "There was strong evidence presented to me of a violation," he reported, citing the state of Wisconsin's interest in preventing adultery and stabilizing marriage and the family.

No doubt, America's adultery laws will eventually be declared unconstitutional, if only on grounds that so many Americans actually practise adultery that any use of the law must be considered selective prosecution. Still, while feminists like to see it as a case of the New Puritanism, I think all it illustrates is the wrath of unrequited love. A scorned lover is capable of all manner of things, and one only has to open a newspaper to see that some people will actually commit murder for literally no reason other than that their affections were rejected. One might be tempted to shrug at it all and say that such things are simply one of the hazards of existence. When human beings are capable of engendering great affection, they take on the burden of possibly engendering hate. Actions do have consequences.

But the notion of personal responsibility for one's actions has not found favor in our society for quite some time. Canada and the United States have set up family courts to cushion all the little consequences of falling out of love. Let the state decide who gets the good china and what the penalty ought to be for a bruised heart. For my part, I would advocate the very opposite of what we are now doing with our extraordinary array of conciliation services, social workers and complicated matrimonial laws. Maybe we should serve notice on people that when they go in and out of relationships they are to be left on their own. If they are old enough to attract a spouse, they will have to settle up with them in their own way.

But during the past 150 years we have been flirting with a form of central organization for human beings that, for short, one can call statism. It has been promoted as much by conservatives as by socialists and essentially it seeks to remove authority from individuals or individual units like the family. At one time, when we had less knowledge about computer software, we had more understanding of the hardware of human nature. We did not try to undermine a sense of authority, or of responsibility for their own welfare, in adults.

But who among us is responsible for his own sins? Distributive justice makes manufacturers responsible for misuse of their products—rather than the people who misuse them. Adults become emasculated and increasingly dependent. The old taboos that society needs to survive are now administered by bureaucrats with even less understanding and sympathy than an authoritarian husband. We are a beaten, passive and pitiful breed. Is it any wonder that we have come to this—a stunted tribe unable to copulate without looking to the state to tell us what the consequences of each furtive thrust may be?

TRIBAL WARFARE

FIGHTING BETWEEN MOHAWKS FOR AND AGAINST GAMBLING CLAIMS TWO LIVES ON A BITTERLY DIVIDED RESERVE

The warnings from Mohawk leaders had been clear: sooner or later, lives would be lost in the bitter dispute racking the Akwesasne reserve. Last week, those ominous predictions came true. On Monday night, violence again broke out on the reserve, which straddles the New York state, Quebec and Ontario borders along the St. Lawrence River near Cornwall, Ont. Throughout the night, Mohawks opposed to the existence of gambling casinos on the U.S. side of the reserve exchanged thousands of shots with members of the Mohawk Warrior Society, a pro-gambling organization and self-styled protector of Mohawk sovereignty. At the end of the nine-hour-long battle, two Mohawk men, one anti-gambling, the other in favor of the casinos, lay dead. And in the wake of the bloodshed, Canadian and U.S. authorities finally intervened in the dispute, sending in a 400-member contingent of law enforcement officers from Ontario, Quebec and New York. But the police brought only an uneasy peace to the battle-scarred reserve. Said Tom Porter, an Akwesasne chief: "Our people are asking, 'When will it be truly safe?' "

Mohawk leaders on both sides of the divisive gambling question had issued appeals for outside police assistance since the latest round of violence on the reserve began in mid-April. But Canadian authorities said that they could not intervene without the co-operation of New York state Gov. Mario Cuomo—who insisted that the dispute was "internal to the Indians." Then, after violence claimed two lives, Cuomo finally ordered New York state troopers to co-operate with Ontario and Quebec police and enter the reserve during the night of May 1. On May 3, Canadian and U.S. officials met in Montreal to begin discussions aimed at solving the problems at Akwesasne. But, on the reserve, the defiant mood among some of the 9,500 residents provided a clear indication that solutions would not easily be found. Said one Mohawk: "It will end—once we get rid of those crazy Warriors."

At the heart of the dispute tearing Akwesasne apart are six gambling casinos that have opened since 1984 along Route 37, a New York highway that runs east-west through Akwesasne and provides the only major road access to much of the reserve. The casinos are illegal under New York state law, but their operators insist that they are on sovereign territory. The



CHRISTOPHER MORRIS

Warrior at a pro-gambling barricade: violence

businesses quickly attracted many tourists to the area—including organized bus tours from Montreal and Ottawa. But their presence also split the community. On one side are those who claim that the gaming establishments attract criminal elements to the reserve and encourage other forms of crime, such as drug smuggling and prostitution. Barbara Barnes, a spokeswoman for the anti-gambling forces, told *Maclean's* that gambling would eventually prove fatal to the life of the community. "It would kill the Mohawk people, our culture, our history," she said. "It would all die."

But pro-gambling band members, many of them members of the militant Warriors, argue that there are sound economic reasons for the casinos. For one thing, such traditional occupations on the reserve as dairy farming and fishing have been severely curtailed because of pollution. As a result, the jobs in the casinos are badly needed. As well, pro-gambling Mohawks argue that the state laws, which prohibit casinos, do not apply on the reserve. Said Owen Young, a U.S. lawyer representing the Warriors: "Mohawks are a sovereign people. They are not willing to abandon that fundamental sovereignty."

Indeed, over the past year the Warriors have proven to be more than willing to protect that vision. In July, 1989, when state troopers attempted to raid the casinos, members of the society blockaded the roads—provoking a tense standoff that ended with the state police withdrawing. But, a month later, a mob of gambling opponents set fire to one casino, the Lucky Knight. The dispute simmered throughout the fall, and erupted into open warfare in the winter. On Jan. 14, armed pro-gambling forces attacked the reserve's tribal police, who oppose the gambling, at their station on the Canadian side. Although hundreds of shots were fired, there were no injuries. In March, the anti-gambling faction responded by erecting blockades on Route 37 to keep prospective customers away from the casinos.

In the wake of that action, the casinos closed their doors—and the violence continued to escalate. On the evening of April 23, the band police station was again attacked, with one of the assailants throwing an explosive device at the building. Shortly after, heavily armed men attacked the highway blockades manned by anti-gambling forces, driving them away in a hail of gunfire. Sporadic gunfights continued until Thursday night, when another group wielding automatic weapons launched a further attack against the tribal police station. Inside, about a dozen Mohawks, including Douglas George, editor of the weekly *Indian Times* and one of the most outspoken opponents of gambling, remained pinned down until the morning.

Remarkably, until last week the discharge of thousands of rounds of ammunition had not resulted in any injuries—although some Mohawks had been seriously beaten in other fighting. But the violence reached a new and deadly plateau last Monday night in the village of Snye, on the Quebec side of the reserve. At about 10 p.m., a pitched battle broke out between the Warriors and the anti-gambling forces, who were gathered at a log house belonging to David George, Douglas George's brother. By the time the fighting finally died down at about 7 a.m., more than 3,000 rounds of ammunition had been fired. And for those residents still remaining in the village who ventured outdoors in the morning, the signs of the battle were everywhere, from the spent shell casings covering the ground to the houses and cars that had been scarred by bullet holes and pockmarked by shotgun blasts.



CHRISTOPHER MORRIS

David George: more than 3,000 rounds of ammunition fired in one overnight battle

Snye residents soon discovered that the battle had also exacted a human toll. In a grove of poplar trees near a row of modest wooden homes, they found Matthew Pyke, 28, wounded during the shooting. The young Mohawk, who had opposed gambling, did not survive. Later that day, residents discovered the body of a second victim, lying facedown beside a low stone wall on the lawn of his cousin's house. Wilbert (Junior) Edwards, 33, a supporter of gambling on the reserve, had been shot to death.

Mourners at Pyke's funeral: wave of shock and anger



CHRISTOPHER MORRIS

In a community traumatized by the violence of the preceding months, the deaths brought a wave of shock and anger. In Snye, Douglas George, who had taken part in the battle, sat with his back against a stone wall and described Pyke as "a quiet kid" who "gave his life to get rid of the gambling." But George also expressed his bitterness over the inaction of Canadian and U.S. authorities, claiming that they could have averted the bloodshed with a more timely intervention. "This means that the politicians are finally going to have to come in and clean up this mess," he said angrily. "It is just sad that they had to wait until someone died be-

National Notes

MONEY FOR WOMEN'S CENTRES
Mary Collins, federal minister for the status of women, announced that the federal government will restore $1.2 million in funding for women's centres that was cut in the Feb. 21 federal budget. But another $400,000 cut from women's lobby groups, newsletters and related services will not be restored.

SUMMERSIDE'S GST WINDFALL
Prime Minister Brian Mulroney announced that a data-processing centre for the planned Goods and Services Tax will be located at Summerside, P.E.I., where a military base employing 1,300 is scheduled to close by mid-1992. Mulroney said that the GST centre would create 400 "good and enduring jobs" when it begins operations late in 1992.

A JUSTIFIABLE HOMICIDE
The Supreme Court of Canada upheld the acquittal of a Winnipeg woman, Angelique Lyn Lavallee, who said that she shot her common-law husband, Kevin Rust, in 1986 in self-defence to avoid being shot or further beaten by him. The decision overturned a 1988 ruling by the Manitoba Court of Appeal that ordered Lavallee to face a new trial.

A CONTROVERSIAL VISIT
The Canadian Arab Federation failed in an attempt to keep former Israeli defence minister Ariel Sharon from visiting Canada, as planned, on June 11. Federal Court Judge James Jerome rejected arguments that Sharon should be barred under terms of the Immigration Act because of his role in the 1982 killing of more than 700 Christian Moslems in Beirut's Sabra and Shatila refugee camps.

TOPPING THE POLLS
A SORECOM Inc. poll indicated that the opposition Parti Québécois has moved ahead of Quebec's governing Liberals in popularity for the first time since 1981. A telephone survey of 1,003 Quebecers conducted between April 20 and 29, and accurate to within three percentage points 95 times out of 100, found that 44 per cent of respondents supported the PQ. Only 41 per cent supported the Liberals.

A FAILED KIDNAP PLOT
Montreal police uncovered what they described as a plan to kidnap Stephen Bronfman, the 26-year-old son of millionaire Charles Bronfman, in order to demand up to $4 million in ransom. Police laid an assortment of kidnapping-related charges against three men. A fourth was already in custody on a separate charge.

fore they took it seriously."

For their part, Canadian politicians laid the blame for any delay on U S authorities, maintaining that Canada could not take unilateral action because part of the reserve is on U S soil. The Canadian section of Akwesasne consists primarily of Cornwall Island, which is part of Ontario, St Régis Island, in Quebec, and land on the south shore of the St Lawrence River that also falls within Quebec's boundaries But the only road access to that mainland part of the Quebec sector is through New York state—leaving Canadian authorities dependent on U S co-operation Until last Tuesday's decision to send in the police, Cuomo maintained that interference by outside police forces would only increase tensions on the reserve—and inflame the violence



ROMUALD N / CKUA PRESS

Patrons at a reserve casino: Canadian officials blame U.S. inaction

That position brought criticism from Canadian as well as U S sources In the House of Commons, Indian Affairs Minister Thomas Siddon called on Cuomo, who has indicated that he may be prepared to legalize the Akwesasne casinos, to help end the fighting "It is our desire to see the state of New York co-operate and assist in dealing with the element that appears to be provoking this incident," he said in the Commons For his part, Solicitor General Pierre Cadieux also implied that attempts to intervene in the bloody dispute had been stymied by U S reluctance "We have been after a concerted effort from the start," he said "When the concerted effort was confirmed, we moved." And only three days before the battle at Smye, Hawaiian Senator Daniel Inouye, chairman of the U S. Senate's select committee on Indian affairs, also called on Cuomo to take action, saying that the violence on the Akwesasne reserve would never be "tolerated by the state government in any other community or circumstances"



CHRISTOPHER HUGHES

House burned in fighting: alleged Warrior hit list with 200 names

Last week, though, the governor defended his course of action, reiterating his position that outside intervention could inflame the dispute Speaking to reporters while attending a meeting of the Council of Great Lakes Governors in Buffalo, N.Y., Cuomo noted, "The violence was on the Canadian side," adding, "Our state police don't go on the Canadian side" Also present at that meeting was Ontario Premier David Peterson, who met briefly with Cuomo to discuss the Akwesasne situation Aides said that the two leaders reached no conclusions But Peterson later told reporters that now was not the time to be looking for scapegoats "We have our responsibilities and, to the best of our abilities, we have fulfilled those," he said "I don't think it is constructive for me to just sit here and cast blame I am looking for constructive solutions"

Others, meanwhile, were engaged in the same search Last Thursday, more than 30 officials of the Canadian U S., Ontario, Quebec and New York state governments, and representatives of the various police forces with jurisdiction over Akwesasne, met at a hotel near Montreal's Dorval airport to discuss possible solutions to the dispute After 3½ hours, they emerged to tell reporters that the police contingent now on the reserve would stay until the threat of further violence had diminished And they also said that, among the options under consideration for solving the problems at Akwesasne, is self-government for the Mohawks—regardless of international borders—that would give them the power to decide their own destiny No Mohawk representatives were present at the meeting. But, said Eddie Brown, assistant secretary for the bureau of Indian affairs with the U S. department of the interior: "Before any solution can be implemented, it will have to be accepted by the legitimate tribal governments. The future must be decided by the Mohawks themselves"

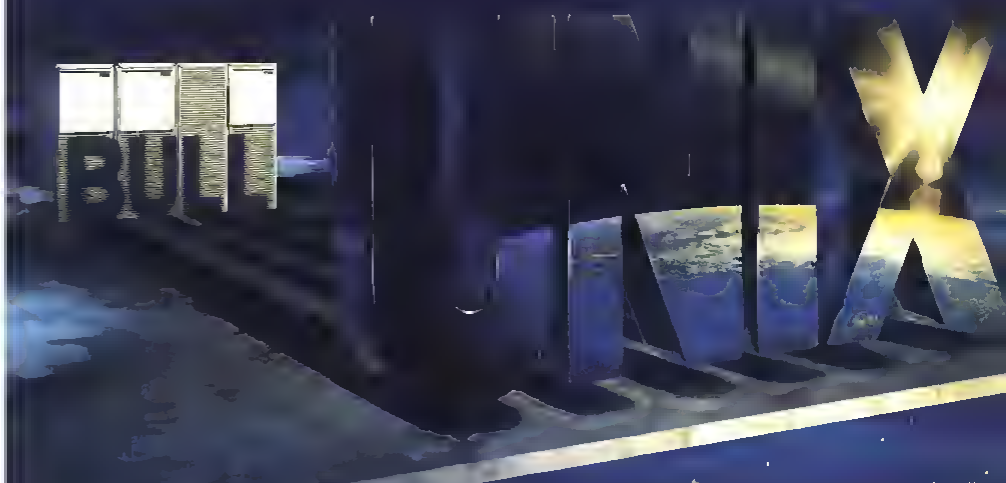
But, at week's end, Akwesasne remained in the grip of two visions of the future that were very much at odds. Said Angus Smoke 32, a casino employee "It is my right to spend my money where I want. If I want to gamble at a casino, that's my business" For his part, Douglas George said that there could be no compromise with pro-gambling Mohawks "Nothing is going to make gambling right on this reserve," he told *Maclean's*. "That is not something that we can negotiate"

Meanwhile, fear of further violence continued to plague many Akwesasne residents For some, that meant a continuing displacement on April 27, Mohawk leaders on the Canadian side had moved about 600 women, children and the elderly to makeshift evacuation centres in Cornwall Last week, many of them said that they were afraid to return home. "I've got a four-year-old who wants to go back," said one pregnant mother "But I am afraid to go home because, if I do, I might get trapped," Added 10-year-old Jason Jackson "We would probably get killed. They are probably going to start up again" Adding to that fear was the release by anti-gambling spokesmen of an alleged Warrior hit list, which they said contained the names of 200 gambling opponents marked for death by the militant society The Warriors immediately denied the existence of such a list. But it was one more incident to fuel the nervousness that still pervades the Akwesasne reserve

PEETER KOPVILLEM *with*
***GREG W. TAYLOR** in the Akwesasne reserve*

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Running on empty

The constitutional deadlock deepens

Jean Charest displayed a cautiously hopeful attitude last week, as he brought down the gavel on four weeks of hearings by a special Commons committee examining the Meech Lake accord. As chairman of the panel, Charest, a Tory MP from Sherbrooke, Que., had listened patiently to testimony, which laid bare the emotional divisions among individual Canadians that underlie the country's constitutional impasse. Many of the 312 witnesses who addressed the committee in six cities, attacked the proposed Meech Lake accord. Some of them predicted that its description of Quebec as a "distinct society" would destroy the fabric of Canada. Others passionately defended the accord, accusing Meech Lake's opponents of fostering hostility that could push Quebec out of Confederation. Shaking off such apocalyptic prophesies, Charest told *Maclean's* after the last witness had departed, "We knew we would be talking about the future of our country." With that, the chairman and his fellow MPs began private deliberations aimed at salvaging the three-year-old accord before it expires on June 23.

That will be a task of profound difficulty—and of historic implication. In the six weeks since Prime Minister Brian Mulroney instructed Charest's committee to examine a so-called "companion resolution" to Meech Lake, proposed on March 21 by New Brunswick Premier Frank McKenna, there has been little evidence of a break in the constitutional deadlock. Indeed, Manitoba Premier Gary Filmon said last week that the committee has done little to address western concerns about the accord. Still, other analysts said that they detected some slight reason for optimism in the more moderate tone adopted by Meech Lake's most outspoken critic, Newfoundland Premier Clyde Wells, when he met the committee early last week in the Newfoundland capital.

What seemed clear, however, was that McKenna's compromise proposal alone would not be enough to save the accord. In that initiative, the New Brunswick premier offered to ratify Meech Lake as it is written—a central demand of Quebec and Ottawa—if a sufficient number of provinces agreed to pass a companion resolution strengthening constitutional protection for minority languages, among other things. But federal officials said privately last week that Charest's committee will likely wish to weaken some elements in McKenna's package, while adding others.

Among the committee's probable additions: a more vigorous commitment to Senate reform, addressing a major grievance of both Filmon and Wells. But the committee is also likely to urge that the central provision of McKenna's companion resolution—allowing Ottawa to "promote" Canada's linguistic duality—be restricted. The New Brunswick proposal is in contrast to Meech Lake, which would empower Quebec to "preserve and promote" its distinct identity, but would allow Ottawa and the provinces simply to "preserve" minority language rights. Last week, officials suggested that Charest's committee would recommend that Ottawa be empowered to "promote" minority language rights only where those minorities are threatened—a qualification that would aim to restrain Ottawa's ability to intervene in Quebec language policy.

But Filmon, whose legislature—along with Newfoundland's and New Brunswick's—must still approve Meech Lake to prevent its expiry, made it plain that those concessions were not enough to salvage the accord. "It is quite evident," the Manitoba premier said, "that people in the East have this sort of Pollyana feeling that everything is going to work out okay." Filmon leads a minority government against the Liberal and New Democratic parties, both of which oppose the proposed constitutional amendments, with or without a companion resolution. Manitoba's position, however, may be tested this week, when Filmon meets the three other western premiers—all of whom support the accord—in Portage la Prairie, Man. There, senior aides from a task force set up a month ago to seek a compromise position will report to the premiers. The aides have concentrated on ways to link the accord's approval to Senate reform.

As well, there were some faint indications last week that other key provincial leaders were adopting more conciliatory stances. Wells, for one, said that McKenna's proposal could be altered to meet at least some of Newfoundland's objections to the accord. Observed Wells: "What is put forward by Newfoundland is not absolute. There will be adjustment, I know that." And Quebec Intergovernmental Affairs Minister Gil Rémillard told a meeting of Canadian manufacturers in Quebec City that Quebec had not rejected McKenna's proposal, despite the National Assembly's passage in April of a resolution ruling out any changes to Meech Lake—including those embraced in the New Brunswick companion resolution.

But, overall, last week's developments failed to relieve the widespread pessimism. Declared Winnipeg businessman Israel Asper, a vocal Meech Lake critic and Liberal activist: "Mulroney has inflamed the country. The gun-to-your-head technique may work in a labor negotiation, but it is not effective in something as sensitive as writing a constitution." Added Gordon Robertson, the former most senior civil servant in Ottawa and a supporter of Meech Lake: "With the hardened positions that have been taken, I have never seen anything as difficult to do as pass Meech Lake."

With time for discussion rapidly running out, the Charest committee faced a May 18 deadline for producing its report. After that, Mulroney could quickly convene a First Ministers' conference—an option that McKenna, among others, supported last week.

BRUCE WALLACE *in Ottawa*

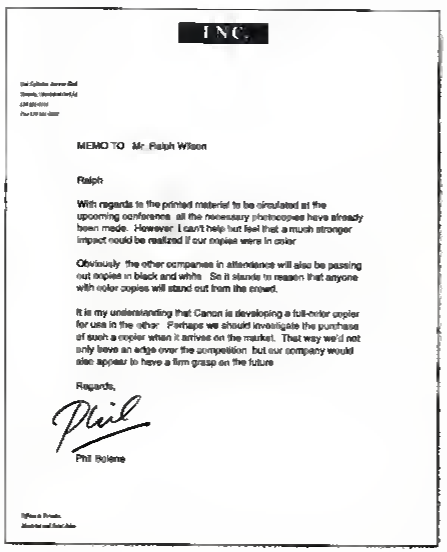


Wells (left) and Charest: a sense of pessimism as the time for talk runs out



Courtesy of the Royal Ontario Museum, Toronto

B.C.



INC.

MEMO TO Mr. Ralph Wilson

Ralph

With regards to the printed material to be circulated at the upcoming conference, all the necessary photocopies have already been made. However, I can't help but feel that a much stronger impact could be realized if our copies were in color.

Obviously, the other companies in attendance will also be passing out copies in black and white. So it stands to reason that anyone with color copies will stand out from the crowd.

It is my understanding that Canon is developing a full-color copier for use in the office. Perhaps we should investigate the purchase of such a copier when it arrives on the market. That way we'd not only have an edge over the competition, but our company would also appear to have a firm grasp on the future.

Regards,

Phil

Phil Solene

A.D.



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The candidate at a Liberal breakfast in Vancouver: risk of overconfidence

Locking it up

Chrétien moves closer to winning the race

According to his closest advisers, the prize that Jean Chrétien has sought for almost a decade finally fell within his grasp not long after midnight on the evening of May 2. The moment came near the end of a lengthy meeting of local Liberal partisans in a sweltering high-school gymnasium only 12 km east of the downtown Calgary convention centre where party members from across Canada will elect their next national leader on June 23. The purpose of the meeting was to choose 12 delegates to represent the Calgary East riding association at that convention. And, when officials finished counting the votes, Chrétien supporters had won nine of the delegate positions—the sixth victory for Chrétien in as many meetings that day, in Alberta, Quebec, Manitoba and Saskatchewan. Taking stock of the spoils at day's end, Chrétien's organizers concluded that the former Liberal cabinet minister had secured enough delegate support to sweep to a crushing first-ballot victory at next month's convention.

Publicly, Chrétien's aides were clearly trying not to appear overconfident. "We are not like a telethon, racking up the numbers," said Chrétien campaign strategist David Collenette. But, privately, other members of Chrétien's team said that they had what they needed. Commitments from among the 5,200 delegates who will be eligible to vote in Calgary, they said, had already reached the level needed to ensure that, barring unexpected reversals, Chrétien would emerge from the June convention as the leader of the opposition—and possibly Canada's next prime minister. Even Collenette cautiously acknowledged, "If we have won the 2,600 delegates we need, this was probably the week."

Chrétien's rivals in the race were reluctant to concede defeat, with the Calgary convention still more than seven weeks away. But MPs Paul Martin, Thomas Wappel, Sheila Copps and John Nunziata were also searching for strategies to stop a runaway finish by the homespun lawyer from Shawinigan, Que. Some advisers for competing camps spoke wistfully of the possibility that Chrétien would offend delegates with a colossal blunder. For his part, Martin said that he would switch his focus during the campaign's final stage from winning delegate-selection battles to changing the minds of delegates already committed to other candidates. But at least one candidate vying to replace outgoing leader John Turner saw little prospect for success in that strategy—or any other. Declared Toronto's Nunziata: "Unless a miracle happens, no effort, big or small, to turn the tide against Chrétien will make a difference."

Indeed, some Liberals appeared impatient to begin a post-mortem on the leadership campaign. A few criticized a leadership-selection process marred by the recruitment of "instant Liberals" and overtaken by the activities of single-issue interest groups. Others questioned whether Chrétien's apparently easy victory concealed a dangerous Liberal detachment from political sentiments among voters at large, especially in Quebec, where his opposition to the Meech Lake constitutional accord appeared out of step.

Plainly, however, Chrétien had by last week secured a lead over his rivals that was, if not invincible, certainly impressive. Estimates of support varied from camp to camp in a hotly disputed numbers game. Martin, for one, insisted that Chrétien's lead was less than decisive at 1,680 delegates, compared with 905 committed to him. By contrast, The Canadian Press, the national news cooperative, awarded Chrétien 2,160 delegates, Martin 637, Sheila Copps 184, Tom Wappel 138 and John Nunziata 16, while 337 delegates remained uncommitted.

But, in Ottawa, strategists for Chrétien claimed to have won 60 per cent of the 3,464 delegates elected by week's end. As well, they said that they had secured the support of 500 of the 800 ex officio delegates—a group that includes riding presidents, members of provincial legislatures, MPs and senators—who do not need to be chosen by a riding association. If those estimates were correct, Chrétien had the support of a total of 2,568 delegates—enough to decide the leadership on the first ballot.

By any measure, the cagey 56-year-old political veteran has dominated the leadership campaign since before its official start last January. And, from the moment Chrétien stole the opening-gun spotlight with a major speech about national unity timed for the eve of Martin's campaign launch, he has largely succeeded in controlling the campaign agenda. In speeches laden with emotional appeals to Canadian patriotism, Chrétien has made few promises, equivocated on such thorny questions as tax reform and steered a traditionalist's course in areas such as the need for a strong central government and progressive social programs.

At the heart of the Chrétien campaign has been a well-funded organization whose key members—among them Ottawa lawyer and longtime policy aide Eddie Goldenberg and campaign manager John Rae—are veterans of

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his failed bid for the leadership in 1984. Detractors have derided Chrétien's reliance on them as a case of yesterday's advisers guiding yesterday's man. But even Chrétien's opponents concede the efficiency of his team. Said Alexander Cameron, an organizer for Martin in Alberta, where the Montreal MP has picked up less than 25 of 290 delegates chosen to date. "Chrétien's organization is an awesome thing to watch. It has been in place here since 1984, and he has kept it well maintained." Added Cameron: "By comparison, we were just not together as a team." And in Montreal, Brigitte Fortier, an organizer for Sheila Copps, commented, "We were faced with an organization that has been around forever."

At the same time, Martin has failed to live up to expectations that he would mount a telling challenge to Chrétien. Despite an impressive political pedigree—his father, Paul Martin Sr., was a Liberal cabinet minister for 17 years—Martin has so far been unable to ignite passion. Said Halifax lawyer James Cowan, chairman of Martin's Nova Scotia campaign: "People don't seem to be paying attention to the thoughtful contribution Martin has made to this campaign."

Other analysts said that Martin's campaign suffered from a lack of competition. According to one senior Martin strategist, his campaign was based on the expectation that the race would attract three or more strong regional candidates—who would bring their delegates to Martin after the first ballot. Said the adviser: "That unravelled when [Winnipeg MP] Lloyd Axworthy dropped out. Then, it became Martin versus Chrétien, and he couldn't beat him one-on-one."

In public, Chrétien's opponents continue to insist that the race is not over. And Martin emphasized to *Maclean's* editors last week that he still expects to win (page 22). Organizers for Copps, meanwhile, pinned their hopes on the 37-year-old former journalist's high ratings in popularity polls—where the Hamilton East MP places second to Chrétien among voters at large—and her ability to sway what they insist is soft delegate support for the first-place candidate.

But, for all those scrambling to catch up with the Chrétien juggernaut, the last lap of the road to Calgary promised to be difficult. Both Copps and Martin hoped for gains in a handful of ridings in eastern Quebec—a hotbed of sentiment in favor of Meech Lake, which both candidates support. But, according to insiders, both campaigns are running short of funds. Indeed, Martin told *Maclean's* that he is spending some of his own money to finance his campaign. Meanwhile, Wappel, who by some estimates has garnered more delegate support than Copps with his robust anti-abortion stand, appeared poorly placed to break out of that single-issue niche.



Copps at a fund raiser in Toronto: grasping for strategies to stop a runaway victory by Chrétien

Wappel: unlikely to break out of a single-issue niche



And, with the outcome of the June convention increasingly a certainty, some Liberals were already drawing conclusions about their party's leadership race. One focus of their debate: the apparent contradiction between Chrétien's success at attracting delegates in Quebec and his rejection of the Meech Lake accord in the only province where support for the constitutional amendment has outweighed opposition to it in recent polls. Said Martin supporter and Quebec MP Jean Lapierre: "People who are active in the party in Quebec now are not representative of the mainstream. The Liberal party in Quebec is a collection of has-beens."

But Chrétien's Quebec organizer, Larry Wilson, rejected that assertion, claiming that his candidate's popularity and long-standing support for Quebec's constitutional demands have overcome doubts about his stance towards the accord. Added Wilson: "Chrétien has been saying the same things for the last 20 years. People identify with that."

At the same time, many Liberals expressed unhappiness that, in several centres, a zealous anti-abortion faction within the party has turned the leadership campaign into a platform for its views. For his part, James Bradley, a spokesman for the self-styled Liberals for Life, acknowledged that the group has benefited from its ability to produce large blocs of so-called instant Liberals. But that tactic has even raised the ire of anti-abortion Liberals, among them leadership candidate Nunziata. Declared Nunziata: "That group's purpose is not to be members of the Liberal party, but to take it over."

And in Toronto, Chrétien's Ontario organizer Patrick Lavelle fretted publicly that the campaign may leave wounds within the party that will remain long after the convention. "No one can guarantee that there is a reservoir of support to draw on after the convention," said Lavelle. "What the leadership race has proven is simply that Chrétien is the most popular Liberal." Indeed, despite some dissent over the precise scale of Chrétien's popularity, the campaign appeared to have reached just that conclusion—with a month and a half still to go.

E. KAYE FULTON *with* LISA VAN DUSEN *in Ottawa,* BARRY CAME *in Montreal and* GLEN ALLEN *in Halifax*

Into the final stretch

'I will convince delegates that I am right'

By most counts, the competitor with the best chance of catching Jean Chrétien in the race for the Liberal leadership is Montreal MP and businessman Paul Martin Jr. First elected to the House of Commons in 1988, Martin, 51, is the former president of CSL Group, owner of the nation's largest shipping firm. He is also the son of Paul Martin Sr., a longtime Liberal cabinet minister in the Pearson and Trudeau governments who ran unsuccessfully for the party leadership in 1958 and 1968. During a meeting last week with Maclean's *editors, Martin said that he has a chance to sway enough delegates to win when the party chooses its new leader in Calgary on June 23.*

Maclean's: *Where do you differ with Jean Chrétien?*

Martin: What we are seeing in this leadership race is a confrontation of two visions of government and of the country. One says that it's not necessary to have a clear agenda, and that muddling through is the way to govern. The other says that muddling through has led the country to the pickle that it's now in. Chrétien represents a government that for years fiddled around with the deficit and didn't do anything about it, except to say that the only solution was to cut back on spending. What I am saying is that you had better be prepared to invest in the future because the real problem with this country is that it is not competitive. Canadians desperately require somebody to come along and say, 'We can take on the Germans and the Japanese, and beat anybody's brains in.' It is a matter of giving the country that sense of belief in itself. And that's not happening.

Maclean's: *How important is the current crisis of national unity revolving around the Meech Lake constitutional accord?*

Martin: The single greatest cause of national dissension is that we are not facing up to our fundamental problems. That's why we are booing the national anthem at Blue Jay games and why we have racist pins and unilingual resolutions. Policies in this country have been based on the idea that the national unity questions can only be solved by a written constitution. That's garbage. Meech Lake will not solve the national unity crisis because the crisis is much deeper than that. The Japanese and the Koreans aren't worrying about their constitutions. They're worrying about how they are going to carve up our markets.

Maclean's: *Yet you are seen as a strong supporter of the accord.*

Martin: If Meech Lake does not pass, then very clearly 25 per cent of Canada's population is going to feel that it has been rejected. I think Liberals are going to have to choose between someone who believes that—in their gut—and someone who has to be persuaded. When somebody goes across the country and says, 'Don't worry, there is no problem in Quebec if Meech Lake dies,' they are certainly challenging my view of the depth of that rejection.

Maclean's: *Because of those differences, it must be disappointing to see how well Chrétien is doing in attracting delegates in Quebec.*



PETER BREGG/MACLEAN'S

Martin running in second place behind Chrétien, but still battling

Martin: I knew exactly what was going to happen. A number of those ridings were in the control of the Old Guard and they were going to produce for him—and they did. It is disappointing because it shows that the Liberal party has not come to terms with modern Quebec.

Maclean's: *If Quebec separates, will the rest of the country inevitably be drawn into some form of union with the United States?*

Martin: No, clearly not. Canadians are not Americans-in-waiting—and they are not going to go that way.

Maclean's: *Where do you stand on the issue of Senate reform?*

Martin: I support a Senate that is elected and equal—the same number of senators for each province. But I don't think you can give the Senate equal powers with the House of Commons. So my definition of effective is to give it the ability to suspend general legislation for 180 days and money bills for 14 days.

Maclean's: *Wouldn't the government simply wait the Senate out and then pass whatever legislation it pleases?*

Martin: The Senate would be able to raise public opinion against any legislation that it considered discriminatory against a region. I don't think that the National Energy Program would have been possible with the kind of Senate I have described.

Maclean's: *Given current fears about a recession, what would your first economic steps be if you formed a government?*

Martin: The analysis that the government has given us is that the two greatest problems are the deficit and inflation. I don't agree with that. They are symptoms of the deeper problem that we are no longer competitive. If the nation you are competing with is the United States, it just doesn't make sense to have interest rates five percentage points higher than theirs. And if you are competing with Japan or Germany, it doesn't make much sense to have interest rates eight to 10 points higher than theirs. I think that we ought to have a low-interest-rate policy and I would define the upper end of that rate as half a point above the American.

Maclean's: *Delegate trackings show you far behind Chrétien. How can you win?*

Martin: For one thing, by convincing delegates that I am right. If, over the next two months, I can deal with the 5,200 delegates and bring them to that realization, I will win this. And if I don't, I won't. The second thing comes down to basic organization, getting to delegates. And we have got in place one hell of an organization so that we can get to each and every delegate in the country. I'm going to win. □

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MAKING HISTORY



White supremacists battling black activists last year: extremists on both sides say that they fear a sellout

SOUTH AFRICA'S WHITE LEADERS MEET WITH BLACK REPRESENTATIVES TO DISCUSS THEIR ASPIRATIONS

Veteran black nationalist Thabo Mbeki was almost disbelieving as he described the first-ever meeting between leaders of the African National Congress (ANC) and South Africa's whites-only government. Within minutes of sitting down face-to-face last week in Cape Town's historic Groote Schuur mansion, both delegations, said Mbeki, "understood that no one in the room had horns." Added Mbeki, in his first speech since returning from 27 years in exile in Zambia: "This meeting ought to have taken place years ago. We are all committed to finding a solution." Two more days of talks apparently did nothing to dampen his optimism or that of his ANC colleagues. by week's end, the two sides had removed important obstacles to holding substantive negotiations on a new constitution for South Africa. But, despite the goodwill and progress, profound political differences remained to be reconciled in the next round of negotiations. And, in both black and white communities, there was a rising tide of opposition to negotiations.

Still, the prospect of future difficulties did not seem to dispel the friendly atmosphere that enveloped President F. W. (Frederik) de Klerk and ANC delegation leader Nelson Mandela. When they delivered a statement on the result of their talks, it was wrapped in diplomatic language to avoid giving the impression that either side had made undue concessions. But it was clear that the government was committed to the release of remaining political prisoners, to the return of political exiles without risk of arrest and to the lifting of the four-year-old state of emergency. In return, analysts said, the ANC seemed ready to end or at least suspend its low level guerrilla war and to stop pressing foreign governments to increase or even to maintain economic sanctions against South Africa.

Last week's three-day discussions were held in British empire-builder Cecil Rhodes's old home in the shadow of Cape Town's Table Mountain. They represented the first time since the founding of the ANC in 1912 that any South African government had sat down with representatives of the black majority to discuss black political aspirations. Before the talks began, the 71-year-old Mandela, who was freed last February after serving more than 27 years in prison for opposing apartheid, spoke of "the terrible tradition of a dialogue between master and servant, which we have to overcome."

Then, switching pointedly from English to Afrikaans, the language of the Dutch- and French-descended settlers who have been the principal advocates of apartheid, Mandela emphasized that "white society, including the Afrikaners, have nothing to fear from the ANC." And when the discussions concluded, Mandela was again markedly conciliatory. "There should be neither victors nor losers," he said. "And at the end, not only are we close to one another, but we are all victors." Sitting at his side, de Klerk nodded his agreement.

But fundamental differences will almost certainly surface in future negotiations on a new constitution. Since taking office last September, succeeding the ironfisted reign of P. W. (Pieter) Botha, the 54-year-old de Klerk has said repeatedly that white domination must end. But he has always added that it must not be replaced by black domination. For that reason, he and his National Party government remain strongly opposed to a straightforward one-person, one-vote system, as the ANC demands. A wide variety of intricate formulas have been proposed to reconcile those opposing standpoints. Meanwhile, extremists on both sides of the racial divide say that they fear a sellout.

The 39 MPs of the Conservative Party, which won 31 per cent of the all-white poll at last year's general election, walked out of parliament last Wednesday to protest the Groote Schuur talks. And Conservative supporters, along with members of extraparliamentary groups further to the right, openly threatened armed resistance to any changes that would remove power from the privileged white minority. Eugene Terre'Blanche, leader of the Nazi-style Afrikaner Resistance Movement, called the situation "utterly explosive," and added, "Negotiations can only lead to conflict."

At the other political extreme, a statement by the Pan-Africanist Congress, the ANC's main rival for black support, declared that negotiations could only lead to "unacceptable compromises." Said group spokesman Barney Desai: "We are not going within spitting distance of that [conference] table." In fact, there were indications that many radical young blacks, the so-called young lions of the townships, were uneasy about the ANC leadership's willingness to negotiate—and might be tempted to defect to the Pan-Africanist Congress.

Beyers Naude, the rebel Afrikaner clergyman who was one of the two whites on the ANC delegation (the other was veteran Communist party leader Joe Slovo), emphasized the problem. He declared: "One should understand the very serious predicament of the ANC. Millions of young militants simply do not believe in the sincerity of the government. They believe that the only way forward is the continuation and increase of the armed struggle."

There were other jarring outbursts of opposition as well. In protest against low pay scales and long work hours, thousands of blacks walked off their jobs or staged slowdowns, which crippled 21 hospitals across the country. The strikes became so serious, and so potentially violent, that Mandela and de Klerk took time out from their talks to discuss the problem.

Meanwhile, in a Johannesburg courtroom, evidence emerged that directly linked Mandela's 56-year-old wife, Winnie, to the January, 1989, torture and murder of a 14-year-old boy. Kenneth Kgase, a prosecution witness in the trial of Winnie Mandela's onetime chief bodyguard, Jerry Richardson, said that she punched and whipped the boy, Stompie Moeketsi, in an attempt to make him confess to being a police informer. The alleged interrogation and torture supposedly took place in an outbuilding of Winnie Mandela's home in the black township of Soweto. And after confessing under duress that he had "sold out," said Kgase, the boy was found dead in a ditch with his throat cut. Winnie Mandela has admitted that one of her guards beat Moeketsi, but she claims that the boy left her house alive. She has denied any wrongdoing.



De Klerk and Mandela: 'no one in the room had horns'

Although Nelson Mandela could have had no direct connection with the incident because he was still in prison at the time, the trial has linked his name with a repugnant and brutal event. It also provided a reminder of the harsh realities that, on all sides, threaten the bright prospects opened up by last week's talks.

JOHN BIERMAN *with* CHRIS ERASMUS *in Cape Town*

World Notes

A POST-COLD WAR STRATEGY

NATO foreign ministers, meeting in Brussels, agreed to scrap plans to modernize some short-range nuclear weapons in Europe because, with a range of less than 300 miles, they could hit only the newly democratic Eastern European states.

MARTIAL LAW LIFTED

Chinese troops began withdrawing from the Tibetan capital of Lhasa as Beijing lifted martial law nearly 14 months after pro-independence protests gripped the Himalayan city. Communist China forcibly incorporated Tibet in 1959.

EL SALVADOR UNDER FIRE

In Washington, a House of Representatives task force criticized the Salvadoran government's investigation of the November murders of six Jesuit priests, saying that little effort had been made to determine whether high-ranking military officers had a role in the killings. Earlier, the House foreign affairs committee approved a bill requiring a 50-per-cent cut in military aid to El Salvador, where the right-wing government has been battling leftist guerrillas since 1979.

A DISSIDENT FOR PRESIDENT

Hungary's first post-Communist parliament elected Arpád Göncz, 68, a former jailed dissident writer, as interim president. The next day, Göncz chose 58-year-old museum director József Antall to form a new government. Antall, president of the centre-right Hungarian Democratic Forum, which won the most votes in free elections last month, is expected to form a coalition government.

AGENT ORANGE STUDY

A panel of U.S. scientists reported a strong link between exposure to the herbicide Agent Orange and a form of cancer and other diseases in American veterans who served in the Vietnam War. U.S. forces sprayed about 11 million gallons of Agent Orange in Vietnam between 1965 and 1971 to destroy jungle areas used by the enemy. But the Veterans Administration contends that no connection to disease has been found and has paid only three of more than 33,000 Agent Orange claims filed by veterans.

DYNAMITING DEADLY AIRSTRIPS

Brazilian authorities blew up the first of 110 Amazon jungle airstrips built by gold miners who have brought disease and death to thousands of Yanomami Indians. President Fernando Collor de Mello ordered the airstrips destroyed following a recent visit to the Yanomami reserve.



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SOVIET UNION

No picnic for Gorbachev

May Day protesters denounce Kremlin leaders

More than an hour after they left Moscow's Red Square early last week, Yegor Fadeev and his wife, Angelina, were still shaking their heads in astonishment. Early that morning, Fadeev, 49, and Angelina, 53, who are both engineers, had packed a picnic lunch and left home to enjoy the May Day holiday. But when they reached Red Square, the traditional centre of celebrations, they saw a remarkable sight. As Soviet President Mikhail Gorbachev and other Kremlin leaders stood silently atop the Lenin mausoleum, thousands of demonstrators angrily shouted anti-government slogans at them. Others carried flags supporting the breakaway republic of Lithuania, as well as placards describing Gorbachev as the "Kremlin Ceauşescu," a reference to the former repressive leader of Romania. Angelina Fadeev, who said that she had expected celebrations of Soviet life, added that "judging by the slogans in Red Square, many people would like to leave."



Moscow demonstration: displeasure

Anti-Moscow feeling was even more evident in Latvia. Last week, the Baltic republic joined neighboring Lithuania and Estonia in declaring independence from Moscow, although both Latvia and Estonia pledged to move gradually in order to avoid the Kremlin's wrath. Said Sarmite Elerte, a member of Latvia's grass-roots Popular Front: "We are preparing to make history—and a country." In fact, displeasure with the Kremlin, over issues that include ethnic divisions and the declining economy, has grown increasingly widespread, alarming Western leaders. Responding to reports that 6,000 Soviet troops had massed in a Moscow suburb last February to protest Gorbachev's military cutbacks, President George Bush said, "I salute the man for what he has done." He added, "I do from time to time worry about a takeover." That is the main reason that Western governments have refused to retaliate against Moscow for imposing an economic blockade on Lithuania—a reason that clearly does not impress the republic's leaders.

Last week, Lithuanian Prime Minister Kazimiera Prunskiene made a seven-day sweep through Canada and the United States seeking support. She met business leaders in Toronto and Ottawa, where the federal government has urged negotiations to settle the impasse. In Washington on Thursday, she told Congress that the republic "cannot sacrifice everything" to guarantee Gorbachev's continued leadership. "Even the world's darling," she said,

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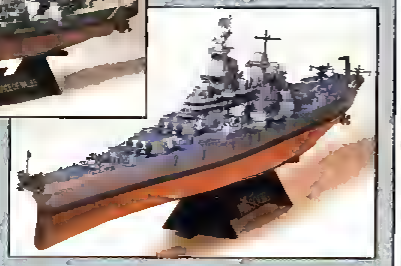
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"does not have the monopolistic right to decide the fate of other nations." However, she added that Lithuania would consider a French-German proposal to suspend temporarily the execution of parliament's independence declaration. And in Moscow, Alexander Yakovlev, a key Gorbachev adviser, said that the Kremlin would talk with Lithuanian leaders if they freeze their declaration.

In Lithuania, there were signs of growing frustration with the republic's government. Since April 18, when Moscow began a blockade of oil, natural gas and some food supplies to the republic, industry has been almost paralysed and officials have introduced tight rationing. As a result, truck drivers protested last week in front of Lithuania's legislature, demanding that the government revoke the independence declaration. Some Lithuanians also said that their leaders had acted too hastily. Said journalist Rungaudas Ertunavichus: "I do not respect the Lithuanian government for being so unreasoned." But he added, "We cannot go back on independence."

Among Soviet citizens, anger is fuelled by further indications that the country's crippled economy is becoming even weaker. With such basic items as meat, sugar and fruit already rationed, the daily newspaper *Pravda* reported last week that overall production fell in the first three months of 1990 compared with the same period last year. The newspaper predicted more shortages of basic items and warned that "inflation is set to cut loose."

As well, a searing conflict between the Transcaucasian republics of Armenia and Azerbaijan continued to rage. Pro-independence pressures grew, and armed clashes broke out in several areas along the border of the neighboring republics. Other, more peaceful protests erupted in huge Ukraine, whose 52 million people represent nearly one-fifth of the country's population. There, anti-Soviet tensions were rekindled by ceremonies marking the April 26 anniversary of the 1986 explosion and fire at the Chernobyl nuclear reactor. Recalling the tragedy, many residents said that they were never warned of the potential dangers of the reactor, and that authorities still do not consult them enough. Declared a Ukrainian journalist working in Kiev: "The anniversary reminded us of everything we hate about Moscow."

Gorbachev's only public appearance last week was in Red Square, where he endured the protests for 20 minutes before leaving with other Kremlin leaders. Two days later, the government newspaper *Izvestia* said that the protesters had "insulted" Gorbachev and endangered his reform program. Added *Izvestia*: "They may achieve some kind of acceleration." But, it asked, "What side will those changes be on?"—a clear warning that hasty reforms could backfire in favor of hard-liners. Faced with a public mood that mixes exasperation and desperation, the Soviet leader is plainly well aware of the dangers.

ANTHONY WILSON-SMITH *in Moscow with correspondents' reports*

LEBANON

Coming home

A released hostage awaits word of the others

His face was gaunt, his back was hunched, and he could not stop squinting. Frank Reed said that his kidnappers had kept him blindfolded for all but 90 minutes a day during his 3½ years in captivity. But the 57-year-old educator, whom pro-Iranian Shiites in Lebanon freed last week, brought welcome news of four fellow captives. At a U.S. military hospital in Wiesbaden, West Germany, Reed told reporters that he had spent two years with Americans Thomas Sutherland and Terry Anderson, the longest-held hostage, whom he described as "still feisty" after five years in captivity. And he reported seeing Britons John McCarthy and Brian Keenan only three days before his release.

Reed, who at the time of his abduction in 1986 was headmaster of the Lebanese International School, was the second American freed by the Lebanese Shiites in nine days. His release, following that of Robert Polhill on April 22, produced a momentary thaw between Washington and Tehran. President George Bush thanked Iran, as well as Syria, for interceding with the kidnappers. And although he said that he would not make any deals to free the remaining hostages, Bush optimistically noted that "things seem to be moving" in that direction. But Tehran continued to send mixed signals to Washington. Early last week, Vice-President Ataollah Mohajerani urged direct talks with the United States to restore diplomatic relations. Later in the week, however, President Ali Akbar Hashemi Rafsanjani said that Iran did not want relations. And he accused the White House of acting like a "stubborn and spoiled child" for refusing to deal with the hostage-takers.

Various factions of Hizbollah, the pro-Iranian "Party of God," still hold 15 hostages: six Americans, four Britons, two Swiss, two West Germans and one Italian. Their fate may hinge on that of 400 Shiite prisoners held by Israel, including Sheik Abdel Kareem Obeid, a Hizbollah cleric from South Lebanon whom Israeli forces kidnapped in July, 1989. Rafsanjani hinted that no more hostages would be released until the United States convinces Israel to release some of those held. And a senior Hizbollah leader, Sheik Hussein Musawi, said that "if Britain knows how to act, it could then obtain the release of its hostages."

U.S. officials said that Bush could not explicitly request Israel to free its Shiite prisoners. To do so, they explained, would be asking Israel to take an action that the Americans themselves refuse to consider: give in to the kidnappers' demands. The administration clearly does not want to appear to be dealing for the hostages because of the major controversy created by the Iran-contra affair. But Bush did say that he would have "no objection" to a release of prisoners by Israel. Bush also said that his administration would signal its goodwill by offering Tehran information about three Iranians missing in Lebanon. He added, "There may be other things we can do."

But Rafsanjani, angered by a new U.S. state department report that listed Iran and Syria as two primary sponsors of terrorism, made it plain that it would take more than goodwill gestures to achieve further hostage releases. Analysts said that the Iranian president was under considerable pressure from radicals in Tehran, with whom he is involved in a continuing power struggle.

Rafsanjani's most powerful opponent, former interior minister Ali Akbar Mohtashemi,





Reed arriving in Wiesbaden: moderates may be gaining the upper hand in Tehran

strongly opposes any hostage releases. After Reed went free, Mohtashemi led a demonstration at Tehran University in which he accused Rafsanjani of "begging for mercy from the Great Satan and selling out" the Islamic revolution. Vice-President Mohajerani's call for talks with the Americans led to still another outburst from Mohtashemi, who said that the vice-president should not be forgiven even if he recanted his views. Iran's spiritual ruler, Ayatollah Ali Khamenei, also criticized Mohajerani, saying, "Those who think we must open negotiations with the United States are either simpleminded or terrified."

But, a day later, Khamenei apologized. According to the Iranian news agency IRNA, the ayatollah sent a note to Mohajerani saying that he did not mean to insult him and praising his sincerity in seeking a dialogue with the United States. At week's end, Western analysts were still trying to determine the significance of that exchange. But it may indicate that the moderates are gaining the upper hand in Tehran, a promising development for the remaining hostages in Lebanon.

Still, efforts to free the captives could prove complex. Gary Sick, a terrorism expert at Columbia University in New York City, said that the Americans and Iranians can be expected to engage in a lot of posturing before any more hostages are released. "There will be some pushing and shoving," said Sick. "It is a test of nerves." But he added, "The bottom line is that the Iranians want to see an end to the hostage situation—but they will not do it for nothing."

On Friday, Reed arrived at Andrews Air Force Base outside Washington, where he had an emotional reunion with former fellow hostage Polhill. With his two daughters and his wife, Fahima, sobbing at his side, Reed called for public pressure on politicians to free the captives left behind. "Thank you all for your love and concern and, yes, for your tears," he said, "for I cry with you that this tragic affair will end soon."

HOLGER JENSEN *with* **JOHN HOLLAND** *in Damascus and* **HILARY MACKENZIE** *in Washington*



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COVER

LONELY LADY

THATCHER'S TORIES TAKE A HARD KNOCK IN LOCAL ELECTIONS AS DISCONTENT SWEEPS ACROSS BRITAIN

Lula Gibson calls herself a "product of Thatcherism." Six years ago, when she opened a fine-stationery store called Papyrus in the elegant city of Bath in southwest England, some of her start-up money came from a government-backed enterprise program. It was the type of initiative that Prime Minister Margaret Thatcher saw as central to her determined drive to revitalize Britain's economy, and Gibson returned the favor by voting for Thatcher's Conservatives throughout the 1980s. But last week, she deserted the party for the first time when she voted in local elections. She even helped to organize a protest against a new business tax introduced by Thatcher's government. Gibson and 200 other shopkeepers, the type of people who once formed the bedrock of Tory support in Britain, closed their stores for an hour. "I've always been Tory," said Gibson. "But I've had to rethink. They are squeezing us out."

Rebuke: The shopkeepers' revolt was part of a wave of discontent with Thatcher that resulted in another rebuke for her and her Tory party in last week's nationwide local elections. Although voters were choosing only local town councillors, it was the biggest test of British public opinion since the country's last general election in June, 1987. More than most such campaigns, it turned on national issues. Thatcher's controversial new poll tax and the performance of the prime minister herself. And although support for the Tories held up better than many observers had predicted, they still took a hard knock. Nationwide, just 31 per cent of voters backed Conservative candidates, compared with 42 per cent for the opposition Labour Party. According to an analysis by BBC television, such a result in a general election would give Labour 353 House of Commons seats and the Tories just 247—and Labour Leader Neil Kinnock would replace Thatcher as prime minister (page 38).

Labour spokesmen trumpeted the result as an unalloyed triumph for their party. John (Jack) Cunningham, the party's campaign leader, declared that "the voters of Britain gave Mrs. Thatcher notice to quit." In fact, however, Labour lost support in some key London boroughs—including Kinnock's own home district of Ealing. And the Tories retained two councils that they had held up as examples of Conservative good management at the municipal level. Party leaders stressed that, with two years to go before Thatcher must call a general election, she still has time to regain popularity. And they claimed that the result was good enough to quell, at least for the moment, more speculation that she might be forced to step aside as Tory leader by growing discontent in Conservative ranks.

Resentment: But despite salvaging some successes, Thatcher still faced much more than a traditional midterm slump. Under her hardline stewardship, Britain's influence abroad has declined markedly (page 40). On the home front, inflation, at 8.1 per cent, is at its highest in seven years, and the economy is slowing down. Her personal popularity, at about 24 per cent in most opinion polls, is lower than that of any prime minister's since polling in Britain began. Many of her newest reforms, especially the now-notorious poll tax, a new local government levy that nearly all adults have to pay, have aroused deep resentment. Perhaps most importantly, Labour has moved closer to the centre of the political spectrum and re-established itself as a credible alternative for middle-class voters. Said Anthony King, a leading analyst of British politics at the University of Essex: "For the first time since she became prime minister, Mrs. Thatcher is facing an effective opposition."

Riot. In other ways, too, Thatcher's current crisis differs from earlier periods of unpopularity. Many Britons have expressed shock at a sudden upsurge in violence associated with opposition to the poll tax, which went fully into effect on April 1. As municipal councils set their poll taxes in March, hundreds of demonstrators clashed with police outside town halls. And on the day before the tax took effect, a demonstration against it turned into the worst riot in central London in the 20th century. In Trafalgar Square, police fought with thousands of young protesters, many of them unemployed, homeless and alienated. About 450 people were injured as rioters smashed store windows and burned luxury cars, symbols of the prosperity of the Thatcher years—in which they had not shared. Suddenly, Britons were deluged with warnings that an embittered underclass was emerging from their country's neglected inner cities. "The violence that has greeted the poll tax," said the London-based *Economist* magazine, "suggests that British democracy is now shot through with a sense of alienation."

The sense of alienation is deepest among those who have sunk to the bottom of the leaner, more competitive society that the prime minister has tried to build in Britain. They include many blacks, the long-term unemployed in depressed cities and slums, and a floating population of young people without jobs, homes or much hope of getting either. The number of beggars on the streets of London has increased alarmingly in the past several years. Social-aid groups estimate the number of people seeking permanent homes in Britain (population 55 million) at about a million, with more than a third of them in the capital.

Several thousand sleep in doorways and cardboard shelters every night, and an estimated 30,000 more live in so-called squats, empty and often squalid buildings that they occupy illegally for a few days or months. "It is a disparate group," said John Benyon, director of the Centre for the Study of Public Order at the University of Leicester. "But the common factor is that they have not shared in the benefits of the past 10 years. You can call them the excluded, the dispossessed."

Begging: The human cost is high, and rising. In one central London squat last week, a set of three fetid rooms on the ground floor of an old brick building near the tourist mecca of Covent

Thatcher (left); anti-poll tax protesters: warnings that an embittered and alienated underclass is emerging



THATCHER FACES MUCH MORE THAN A TRADITIONAL MIDTERM SLUMP

Garden, 19-year-old Darren Allpress described how he survives by begging. The six or eight homeless young people who share the garbage-strewn apartment panhandle all day, then pool the $60 or $70 they gather to buy food. They broke into the apartment, a vacant public housing unit due to be renovated, several weeks ago. By squatting standards, said Allpress, the accommodation is relatively comfortable: they have an electric heater and cold running water, although the toilet does not work. The competition among beggars is fierce, as more aimless young people flock to London. "There are so many more people out doing it," he said, "and everybody's hagging over patches. It's just survival of the fittest, I guess."

Squalor: The prime minister's defenders contend that homelessness and begging are international problems that have become worse in other cities, such as Paris, New York and Toronto, over the past decade. But her critics maintain that her policies of squeezing social spending and rewarding the successful have directly contributed to those troubles. In the mid-1980s, when Thatcher's government was engineering an economic boom that enriched most Britons, those left-wing arguments had little impact. Now, says Benyon, "there is a sea change under way in public opinion."

After focusing on creating wealth during the competitive 1980s, he says, voters are more receptive to arguments that the government should show more compassion. "We have had 10 or 12 years of developing private wealth," he said in an interview. "Now, we are moving into a period of tackling the public squalor that has built up."

That squalor is increasingly evident in London and other cities. Successive British governments, both Labour in the late 1970s and the Thatcher government since 1979, squeezed public spending hard. During the past decade, the share of national income spent by the public sector fell to 38 per cent from 43 per cent. As a result, Britain's trains, roads, hospitals, state-run schools and water system have fallen into disrepair.

Thatcher has tried to inject more money through privatization schemes and other measures, but her government's efforts have proven inadequate. And during the past few years, a series of apparently unconnected accidents and disasters have focused public attention on the problem of decaying buildings, outmoded technology and overworked, underpaid staff. They include: a fatal fire at the King's Cross underground station in 1987; a train crash at Clapham Junction in southwest London the following year in which 35 people died; the death of 95 people during a stampede at an overcrowded, ramshackle soccer stadium in Sheffield last year; and last month's 26-day riot at Strangeways Prison in Manchester, where inmates protested against antiquated conditions in the 19th-century jail. Peter Jenkins, a columnist with *The Independent* newspaper in London, labelled the incidents "Third World disasters"—the type of thing that happens in poor countries because there is not enough money for safe, modern equipment. Now, Britons are shocked to find them happening in their own backyard.

Still, there are more prosaic reasons for Thatcher's declining popularity. While rising prosperity since the early 1980s persuaded voters to vote Tory despite the prime minister's personal unpopularity, in the past year Britain's economy has slipped badly. The 8.1-per-cent inflation rate is about twice the European average. Mortgage interest rates are above 15 per cent, and the country is running a persistent and troubling trade deficit, which stood at $4.2 billion in March. On top of that, Thatcher introduced the reviled poll tax, officially known as the community charge. A pet project of the prime minister's, the new levy replaced the old system of property taxes.

Outrage: Thatcher's plan was to make local councils more accountable by letting voters see exactly how much they are paying for municipal services. In practice, the Tories hoped that Britons would vote out high-spending Labour councils and replace them with more efficient Conservative ones. But the plan backfired. The tax rates vary from community to community,





REX PONOPRESSE

Westminster (left); Thatcher with husband Denis at 10 Downing Street: continuing zeal to remake Britain in her image



The French Alps, on the town, Toronto

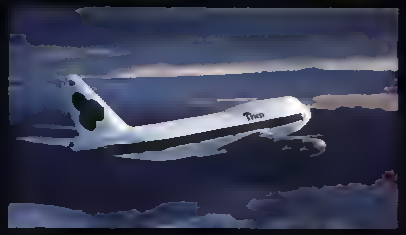
The French Alps, on the slopes, Whistler

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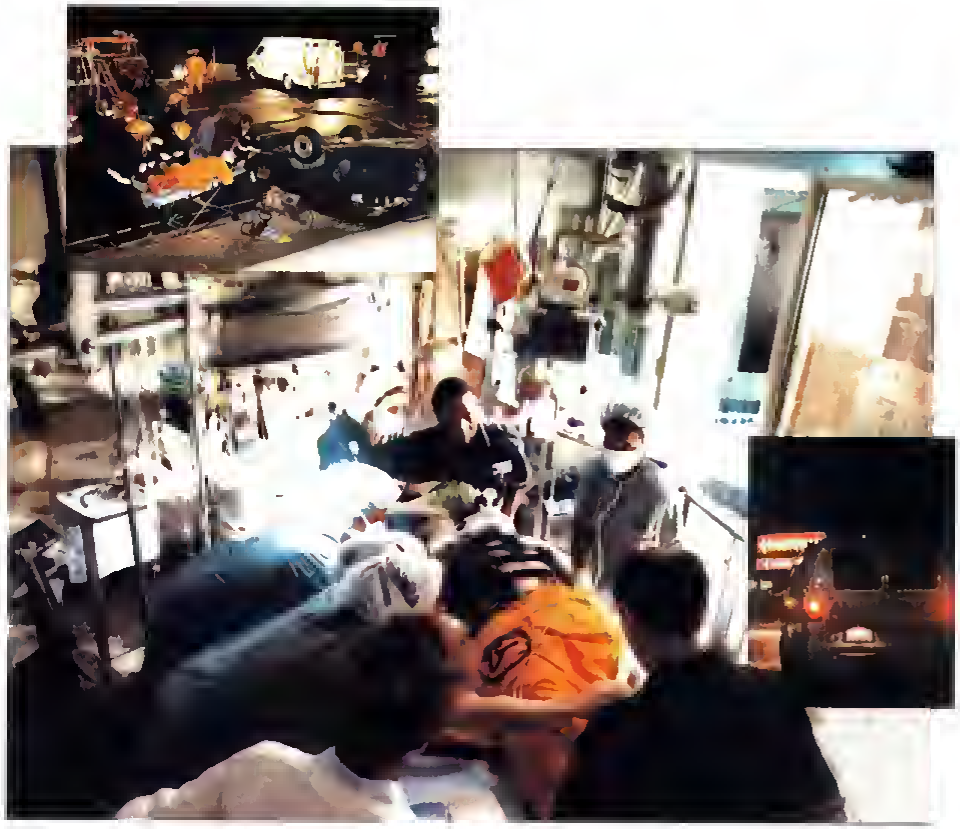


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but individuals are being asked to pay an average of $675 a year, sharply higher than the $500 forecast by the government. The tax is twice as expensive to collect as the old property taxes, called "rates," and the new practice of imposing the same charge on all adults in each community, regardless of income, has been widely attacked as unfair. In addition, the new tax affects about 20 million people who did not pay property taxes, a huge group among which Thatcher's critics had little difficulty arousing resentment.

As well, the government provoked criticism by introducing a new tax that increased the burden on businesses in more prosperous southern England and on the retail sector in general. That outraged store owners like Lula Gibson and her fellow tax rebels. Most of them turned against the Tories last week, and the party lost control of the Bath city council.

In the south London district of Balham, café owner Enver Kiamil said that he will have to pay $4,200 this year in business and poll taxes, compared with $2,300 in taxes last year. As a result, he switched his vote to Labour. Said Kiamil: "Thatcher talks a lot about coming from a small-business family, but it doesn't seem she wants us to survive."

Other reforms that Thatcher introduced in her third term have also antagonized her traditional middle-class supporters. Plans designed to make the National Health Service more efficient by introducing some market mechanisms among hospitals and patients have angered doctors and aroused concerns that the government favors private over public health care. Meanwhile, a reduction in privileges enjoyed by barristers upset many lawyers. And a plan to privatize water services caused widespread worries that Britain's water quality might suffer. In the end, many voters seem wearied and annoyed by Thatcher's continuing zeal to remake Britain in her image—and her apparent inability simply to leave things alone.

Loyalty: The prime minister has answered critics in characteristically direct terms. In an interview in March, she declared: "Look, I am very fit. I have lots of stamina. I have firm, fundamental convictions. I wish to carry on because I wish to take things a stage further."

Recently, two London newspapers reported that about a quarter of Tory MPs say that she should resign to increase the party's electoral chances. Few MPs, however, are willing to make their opposition public. Still, one right-wing member, Antony Marlow, did suggest last week that Thatcher should resign to safeguard her legacy. "The party's loyalty is to the party, not to the leader," he said. "We have got to sustain what she has done. The question is whether she is the person who is going to sustain it." And Labour's Kinnock said that he believed that Thatcher would resign before the next election.

Clearly, the party faces an extraordinarily difficult task in recovering its popularity in time for a 1992 general election. During earlier periods of unpopularity, Thatcher's government was able to manage the economy so that voters were experiencing good times by voting day. But now, most economists say, that will be much harder to accomplish, because the government will have to slow down the economy to bring inflation under control. Said Patrick Dunleavy, a professor of government at the London School of Economics: "They've miscalculated the political business cycle and played themselves into a very deep hole." Thatcher has managed remarkable comebacks before. But escaping from her current difficulties and piloting her party to a fourth consecutive victory—which no British prime minister has ever managed to do—would eclipse all her previous political feats.

ANDREW PHILLIPS in *London*



HARTLEY/PRESS ASSOCIATION

Heseltine with wife Anne: waiting in the wings

THE HEIR APPARENT

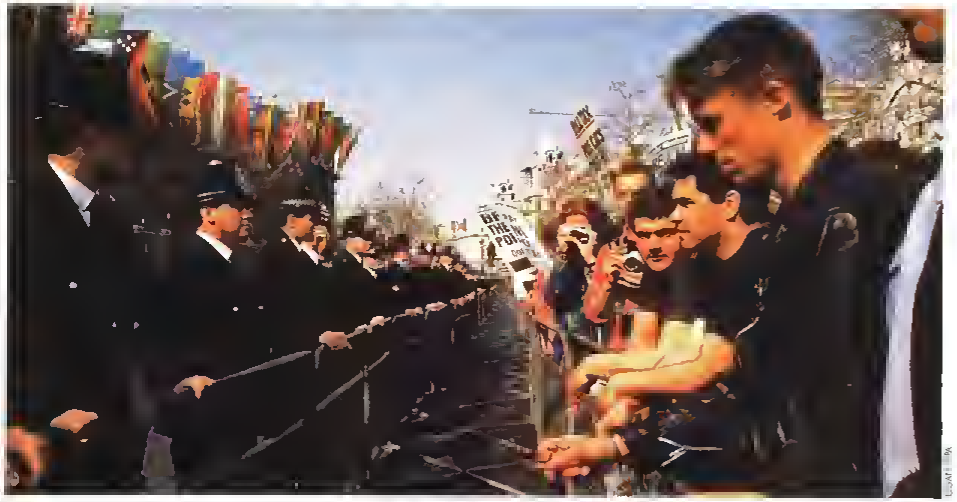
In a particularly run-down part of London's east end one day last week, the striking appearance of the tall man with a swept-back mane of blond hair stopped conversations in the street as he strode purposefully along. Michael Heseltine was out doing some last-minute campaigning for the Conservative party in local elections. Although he is officially just one of 288 backbench Tory MPs, Heseltine has become a political superstar—the man most likely to become Conservative leader and prime minister if Margaret Thatcher steps aside this year. As bemused locals observed Heseltine's glad-handing progress, a young man cried out, "Morning, Michael, you should get Maggie's job now!" Heseltine, who refuses publicly to acknowledge that he has any such intentions, gave no sign of hearing.

Still, his fellow MPs have little doubt that Heseltine, 57, has his eyes firmly fixed on 10 Downing Street. Since the former defence minister quit Thatcher's cabinet in 1986, after a bitter dispute with the prime minister over his plans to rescue a British helicopter company from receivership, Heseltine has waged a low-key but persistent campaign to establish himself as her logical successor. He has secured support among the Tory grassroots by addressing scores of party meetings. And he has kept his public profile high by writing two books, the latest on Britain's role in Europe. The strategy seems to be working: a recent survey of Tory MPs by a British newspaper showed Heseltine to be the strong favorite among those willing to name a first choice as successor to Thatcher. Of the 76 MPs who gave a choice, 51 named Heseltine. That is significant, because the Tory caucus elects its own leader.

The son of a steel-company executive, Heseltine inherited $2,700 soon after leaving Oxford in 1955 and used it to build a highly successful magazine publishing business. Heseltine, who has a net worth of $115 million, was the only politician included in a recent survey of the 200 richest people in Britain by *The Sunday Times*. He won a seat in Parliament in 1966 and acquired the nickname Tarzan, due partly to his flamboyant hairstyle. Heseltine's success was all the more remarkable because he suffers from a mild form of dyslexia, which makes reading difficult.

Since he left the government four years ago, Heseltine has advocated policies that differ markedly from Thatcher's. He supports greater public spending on education and training, and a more positive attitude than Thatcher's towards the European Community. In fact, the political and personal conflicts between the two have further complicated the issue of Thatcher's future. As long as Heseltine remains the favorite to succeed her, say many observers, Thatcher will be all the more determined to stay on.

A. P.



Police confront poll-tax protesters in London: analysts say that Kinnock will have to articulate a clear alternative

A COAL MINER'S SON

KINNOCK HAS LED A LABOUR COMEBACK

His supporters call him "the golden boy with the silver tongue." His detractors call him "the Welsh windbag." Clearly, Neil Kinnock's powerful oratory, more than his experience or ideological convictions, is his most potent political weapon. Kinnock, 48-year-old son of a Welsh coal miner, was elected leader of Britain's fractious Labour Party in October, 1983, four months after Labour suffered a devastating loss to Margaret Thatcher's Conservatives in national elections. Since then, Kinnock has presided over a remarkable recovery in the party's fortunes: it now has a nearly 20-percentage-point lead over the Tories in public-opinion polls. And, after the party's success in local elections last week, Labour now has a solid chance of sweeping to victory in the next general election, due no later than mid-1992. But many Britons still openly question whether Kinnock, who in November will become the longest-serving opposition leader in British history, is prime ministerial material.

Labour's popularity among the British middle class is a result, in part, of Kinnock's pragmatic leadership. He was allied with the party's leftist factions in the 1970s but, since becoming leader, he has pushed through policies that have moved Labour towards the political centre. The party has also benefited from a backlash against Thatcher and her immensely unpopular poll tax, which requires nearly all adults to pay a uniform community charge. Kinnock calls the tax "regressive," and he has promised to repeal the law if Labour forms the next government. Still, some analysts claim that Kinnock will have to articulate a clear alternative to Thatcher's policies if he hopes to maintain the party's lead into the next elections. Said Anthony King, professor of government at Essex University: "People are concluding that they don't like Conservative policies and think that Labour must be able to do better. But they don't have the faintest idea what Labour actually stands for."

Poverty: Kinnock comes from a family that his predecessor as Labour leader, Michael Foot, once described as "absolutely genuine working-class." He was born in a single rented room in Tredegar, a mining community in South Wales. His father, Gordon, an active Labourite, worked in the mines and took Kinnock to his first political meeting when he was eight years old. There, he was inspired by an earlier legendary Welsh orator, Labour MP Aneurin Bevan. Kinnock's mother, Mary, a nurse, often took her son on her house calls to show him the illness and poverty among the valley's miners. Kinnock has said that his childhood experiences, "translated by two very intelligent parents [and] backed up by attendance at meetings addressed by Bevan," impelled him to join the Labour Party.

Convictions: In University College at Cardiff, Kinnock was at best an adequate student: he failed his final exam in industrial relations on the first try, and just barely passed on the second. But he made his mark in university politics as president of the Students' Union and chairman of the Socialist Society. It was through those groups that he met Glenys Parry, the daughter of a railway signalman from North Wales. Kinnock and Parry married in 1967 and have two children, Rachel and Stephen. Kinnock, an avid rugby fan who has said that he aspires to sing in a choir after he retires from politics, often spends his Saturday nights watching videos with his children. Glenys, a part-time teacher, was active in the Labour Party long before she met her future husband. And friends say that her strong socialist convictions and political instincts have had a profound impact on Kinnock's career.

After their marriage, the Kinnocks moved to the South Wales constituency of Bedwellty (now Islwyn), where he worked as a tutor for the Workers' Educational Association. Two years later, the local Labour MP, Harold Finch, resigned, and Kinnock decided to launch his political career. His detractors maintain that he moved to Bedwellty, one of the country's safest Labour seats, in anticipation of the 71-year-old Finch's resignation.

At the nomination meeting, Kinnock and his rival, Lance Rogers, won 75 votes each. Kinnock's supporters advised him to delay the runoff, but Glenys urged him to forge ahead. Accepting her advice, Kinnock gave an impassioned speech that broke the deadlock, giving him a two-vote majority. In 1970, at 28, he took his seat in Parliament.

For the next 13 years, Kinnock won little public recognition. He worked as private parliamentary secretary for Foot, then secretary of state for employment, in 1974 and 1975. But, the following year, he turned down an offer from then-Prime Minister James Callaghan of a junior ministerial post, accusing the Labour leader of being too rightist. He did join the party's National Executive Committee in 1978 and, after Labour's defeat in the 1979 elections, became education critic.

Radical: In 1980, Kinnock supported Foot in his successful bid for the leadership. But in the early 1980s, Foot allowed the party to slide towards the radical left. Leftists including Anthony Benn, pushed through constitutional changes that gave unions a powerful voice in electing party leaders. The party also adopted unpopular policies, including a pledge to get rid of all nuclear weapons and pull Britain out of the European Community.

Meanwhile, radical Labour activists won control of more than 20 town councils and enacted policies that led Tories to describe them as the "loony left." Some town councils flew the flag of the African National Congress, while others only served coffee from revolutionary Nicaragua at town halls.

The leftward lurch split the party, as Labour's right wing broke off to form the Social Democratic party. And many middle-class voters abandoned Labour. In the 1983 election, the party won only 28 per cent of the vote, marginally more than an alliance between the Social Democrats and the Liberal party. Some observers predicted that the alliance would soon eclipse Labour as the official opposition.

By then, Kinnock had emerged as a leader of the so-called soft, or realistic, left. He said that, although he enjoyed idealism, "you can't live in it, you can't eat it, you can't be in it, you can't cure diseases with it, and it's these tangibles we are about." Meanwhile, Benn, Kinnock's main leftist rival, had lost his parliamentary seat. And in the ensuing leadership race, Kinnock, still relatively unknown outside the party, surprised many voters by winning a resounding first-round victory. Then, he forged an alliance between the soft left and those rightists who had chosen to remain in Labour.

Challenges: He faced challenges to his authority, particularly during the bitter 1984-to-1985 miners' strike, when thousands of workers walked off the job to protest the Thatcher government's decision to close unprofitable coal pits. The Labour Party voted to support the strikers, despite Kinnock's objections. He argued that, while he opposed the closing of the pits, he wanted to separate the party from widespread strike violence.



Kinnock: soon the longest-serving British opposition leader ever

By 1986, however, Kinnock had managed to rein in the hard left and forced members of Militant Tendency, a Trotskyist group, out of the party. Kinnock succeeded in shaping a more politically palatable platform, all but usurping the centrist position of the Liberal-Social Democratic alliance. Before the 1987 elections, Labour soared to higher than 40 per cent in opinion polls and scored major victories in local elections. But the economy was healthy, real earnings were growing and inflation was under five per cent—all factors in Thatcher's favor. Although Labour won only 31 per cent of the vote, it maintained its position as the official opposition.

Since 1987, Kinnock has led the party even further towards the centre. Last year, Labour dropped its demand for unilateral disarmament in favor of multilateral disarmament. The party now urges the government to enter the EC's monetary system and fully supports a charter that would establish social security standards throughout the Community. Domestically, Kinnock has proposed changes to reduce the voting power of unions within the party. Labour has scrapped its commitment to a special wealth tax; it now proposes a reform of income-tax laws that would lower the starting rate to 20 per cent from 25 per cent and introduce new tax brackets in which high-wage earners would pay up to 50 per cent.

Labour's finance critic, John Smith, has persuasively argued Labour's economic policies. And according to a recent poll by a London-based magazine, *The Economist*, British economists say that Smith would do a better job than the Conservative's current chancellor of the exchequer, John Major.

Still, Labour may not have done enough to clarify how it would achieve various policy goals, including controlling interest rates, improving education and health services, and providing an alternative to the poll tax. Kinnock faced an embarrassing resurgence of leftist militancy when nearly 30 renegade Labour MPs called on Britons to refuse to pay the tax.

Critics: The opposition leader's critics, meanwhile, maintain that his lack of experience in government will make him an ineffectual leader. Said Richard Johnson, a professor of politics at Oxford University: "This is an immensely ambitious program for a government in which the prime minister and four-fifths of the cabinet will be lacking in government experience."

And, although Kinnock is a powerful orator—so powerful that U.S. Senator Joseph Biden dropped out of the Democratic presidential race in 1987 after he confessed to plagiarizing the Labour leader's speeches—he is prone to embarrassing missteps. Last month, at a concert at London's Wembley Stadium to honor South African nationalist leader Nelson Mandela, Kinnock thrust his fist into the air in a black-power-style salute. "He is always making wild gestures," said Cyril Smith, a Liberal MP. "But if he wants to be prime minister, God forbid, he must learn to stop such childish conduct."

Despite those criticisms, Labour's strong showing in municipal elections demonstrated that it has its best chance in a decade to unseat the Tories in the next general election. Then, the fiery Welshman might finally trade his modest redbrick home in the west London district of Ealing for the more impressive address of 10 Downing Street.

MARY NEMETH *with* **JEREMY HART** *and* **ANDREW PHILLIPS** *in London*

DECLINING INFLUENCE

HAS THE THE WORLD LEFT THATCHER BEHIND?

It was a familiar battle of wills between Prime Minister Margaret Thatcher and the other 11 leaders of the European Community. At a special summit in Dublin on April 28 to discuss the impact of a unified Germany on the EC, Irish Prime Minister Charles Haughey called for strengthening European political union at the same time as the Community moves towards economic integration by the end of 1992. "We have set out on a journey," said Haughey, the current EC president. "It's like the flow of the Rhine, impossible to stop." But, for Thatcher, the prospect of political union, with the likelihood of increased powers for the multinational European Parliament, threatened a loss of British sovereignty. "What are the implications for the British monarchy or for a 700-year-old parliamentary tradition?" she asked her colleagues at Dublin Castle. "People want to know what would happen to our beloved monarch, the Queen."



Thatcher and Kohl: Washington made it clear that Germany, not Britain, is the pivotal nation

Declining: At a time when Thatcher's political fortunes are declining within Britain, her singular foreign policies have placed her out of step with a changing world. From European union to South African sanctions to nuclear disarmament, the Iron Lady has clashed repeatedly with Western leaders, and her international influence has clearly eroded. Ian Davidson, a leading columnist in the *Financial Times* of London, wrote last week, "There was a time, not very long ago, when Mrs. Thatcher's readiness and ability to make trouble in the Community was a subject of mildly anxious debate in other capitals. Now, her views are regarded simply as an irrelevant nuisance."

Thatcher did score a minor victory in Dublin. She told the EC leaders that they must first define what is *not* meant by political union. It must not involve the loss of national sovereignty, she said. And it must not lead to the diminishing of NATO or eradicate cultural diversity and existing electoral and legal systems in the EC countries. In response, Community leaders agreed to draft an acceptable definition of political union before their next scheduled summit at the end of June. But Thatcher's opposition to integration threatened to isolate Britain politically from the Continent as much as it is isolated geographically. As West German Chancellor Helmut Kohl told his fellow summiteers, "My home is the Rhineland, my country is Germany, my future is Europe."

Thatcher's lonely stand on South Africa has also been a source of diplomatic tension. At a Commonwealth Conference in Kuala Lumpur last October, she opposed the other 48 leaders, who called for stronger sanctions against Pretoria's white-minority government. And in February, in the wake of the release of black nationalist leader Nelson Mandela, Thatcher broke ranks with the rest of the EC, lifting the ban on new British investment in South Africa.

Inflexible: At the same time, there has been a marked deterioration in the so-called special relationship that has existed for four decades between Britain and the United States. Ronald Reagan, who came to office in 1981 determined to build up U.S. military power and face down the Soviets, found an ideological soul mate in Thatcher. The two conservatives held 15 summits, the highest number by any American and British leaders. But, to the more moderate President George Bush, the inflexible Thatcher clearly seems to be swimming against the tides of history.

An indication of her diminishing influence in Washington emerged in April, 1989. The Bush administration attempted to arrange a compromise between Britain and West Germany over the issue of modernizing NATO's short-range nuclear weapons on German soil, instead of automatically taking Britain's side as Washington has in the past. Thatcher supported modernization and Kohl opposed it. Under pressure from the Americans and other NATO allies, Thatcher eventually backed down. And last Thursday, Bush announced that he was scrapping plans to deploy more powerful battlefield nuclear weapons in Western Europe.

The Bush administration has made it clear that Germany—and not Britain—is the pivotal nation around which the future of Europe must be built. The first public confirmation of that new reality emerged in May, 1989. On a visit to West Germany, Bush, with Kohl at his side, said that Washington and Bonn "share an added role, partners in leadership." An uproar followed in Britain, and Bush flew to London to reassure Thatcher that he had not meant to imply that the United States did not have a special relationship with Britain, too.

But the snubs continued. Last December in Brussels, Bush goaded Thatcher by calling for "intensified efforts" towards European union. As 1992 approaches, analysts say that Britain's once-leading role in the affairs of the Continent will inevitably diminish. And with a national election due just months before European integration, a key issue is whether Thatcher will still be in power to battle for Britain.

ANDREW BILSKI *with* **IAN MATHER** *in London*

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Toronto Star *printing presses: 'now we have to batten down the hatches'*

BUSINESS

LOSSES FOR WORDS

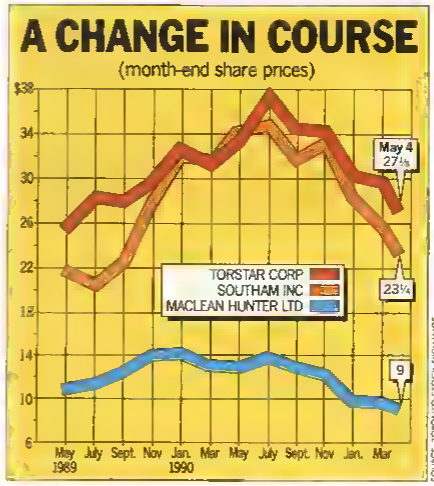
NEWSPAPERS AND MAGAZINES ARE SUFFERING FROM A CRITICAL DECLINE IN ADVERTISING REVENUES

Little more than a year ago, many newspapers and magazines in Canada and the United States were riding high on a wave of prosperity. Despite high risks—over the past decade, an average of only one in five new magazines and newspapers has survived more than four years—publishers were investing millions to launch or buy newspapers and magazines, and initiating lavish redesigns of existing publications. But good times in the print media depend largely on rising advertising revenues, and, with economic forecasters predicting an imminent recession, many corporations have already begun to cut back dramatically on their ad budgets. As a result, pessimism is growing among many formerly optimistic publishing executives. Said John Morton, a newspaper analyst for Lynch, Jones & Ryan, a New York City-based consulting firm: "It is the first time in 20 years that growth in this industry has not even kept pace with inflation. For any publication dependent on advertising, the recession is already here."

Indeed, red ink has been widespread in the industry in recent weeks, as several major North American publishers reported sharp profit declines for the first quarter. Moreover, the declining ad sales are punishing almost every segment of the newspaper and magazine market. Toronto-based Southam Inc., which has the largest circulation of any newspaper chain in Canada—1.5 million copies daily—reported last week that its profits dipped to $14.7 million for the first quarter, down 31 per cent from the same period in 1989. First-quarter profits at Toronto Sun Publishing Corp., which publishes tabloids in Toronto, Edmonton, Calgary and Ottawa, as well as owning a majority stake in *The Financial Post*, have plummeted by almost half. The company, which is 62 per cent owned by Maclean Hunter Ltd., owner of *Maclean's*, reported last month that its profits fell to $1.7 million from $3.2 million in the first three months of 1989.

Powerful U.S. publishers have also suffered sharp profit declines. New York Times Co., which publishes *The New York Times*, reported that net income fell by a staggering 51 per cent to $19.9 million in the first quarter, while net income at Dow Jones & Co., publisher of *The Wall Street Journal*, fell by 88 per cent to $29.8 million in the same period.

In the Canadian magazine industry, where earnings seldom average more than four per cent, the advertising slump has already forced some closures. *Vista*, a two-year-old business magazine owned by Markham, Ont., automotive-parts maker Magna Corp., announced last month that it will cease publication. Meanwhile, advertising revenues have declined sharply this year at several other Canadian magazines, including *Toronto Life Fashion*, *Saturday Night*, *Canadian Business* and *City & Country Home*. Canadian publishing executives add that they face other, potentially more serious threats to their very existence, including the removal of lower Canadian postal rates for magazines next year and price increases created by the Mulroney government's proposed seven-per-cent Goods and Services Tax. Said Douglas Creighton, president of Toronto Sun Publishing Corp.: "The GST has the potential of being a disaster for us."



So far this year, the outlook appears better for some French-language publications. For the first quarter of 1990, magazines such as Maclean Hunter's *L'actualité* showed a 27-per-cent increase in ad pages. Montreal-based Telemedia Inc.'s *TV Hebdo* posted a 35 per-cent increase in ad pages and its *Coup de Pouce* a 21-per-cent increase. But the news was not all positive. Last January, the 80-year-old *Le Devoir* newspaper was forced to seek donations from large corporations and government to reduce a $2-million debt. And Pierre Péladeau, who controls media giant Quebecor Inc., publisher of *Le Journal de Montréal*, last December closed *The Montreal Daily News*, a tabloid that lasted for only 21 months.

Pessimism is also widespread in the U.S. magazine industry. The trendsetting, award-winning lifestyle magazine *7-Days*, based in New York, folded earlier this year. And even the flagship publications of media giant Time Warner Inc. showed startling first-quarter declines in advertising. Compared with the same period last year, the number of pages of ads in *Time* declined by 12.4 per cent, at *People* by 18.4 per cent and at *Sports Illustrated* by 17.8 per cent. Still, Robert Miller, executive vice-president at Time Warner, said that the company has no plans to cut back its operations because of tough times.

Indeed, in February, Time Warner launched *Entertainment Weekly*, a new guide to current television movies, video and recorded music aimed at young, affluent adults, at an estimated start-up cost of $36 million. But Miller added that other magazines, with less financial support, will likely close if the current advertising slump continues. Said Miller: "Even a five per-cent decline in advertising may reduce profits by half, so if a magazine is marginal, such a decline could mean life or death."

The shock of the first-quarter results has left many publishing executives and their shareholders reeling. In Canada, the growth in the total amount of money spent on advertising ballooned to more than $8 billion in 1989 from $3.8 billion in 1980, while revenues in the United States for magazines alone nearly doubled in the same period, to over $7 billion. But, during the first quarter of this year, the number of advertising pages for Canadian consumer magazines dropped by 1.4 per cent from a year earlier. At *Maclean's*, ad pages declined by 1.1 per cent for the first quarter, compared with the same period last year. And, in the United States, analysts estimate that spending on magazine advertising will decline by five per cent to six per cent over the remainder of 1990, compared with 1989.

Most publishers blame the slump on poor sales of domestically manufactured cars and a lack of confidence by retail advertisers that followed the collapse of Campeau Corp. As well, tobacco ads, once worth several million dollars to Canadian publishers, have been banned by federal legislation, and there is mounting pressure from health-conscious regulators for a similar ban in the United States. Said Miller: "We expect the weakness to continue for the rest of the year. The big question is what Detroit does. It is not likely to be as bad as the first

Business Notes

CROW UNDER FIRE
Opposition MPs accused Bank of Canada governor John Crow of pushing Canada into a recession with a high-interest-rate, anti-inflation policy after Statistics Canada reported that Canada's gross domestic product declined by 0.1 per cent in February after falling 0.3 per cent in January. A recession is formally defined as two consecutive quarters of economic decline. Still, despite the slowdown, the Bank lowered its trendsetting rate only fractionally, to 13.79 per cent from 13.80 per cent the previous week.

NEW MAIL-SORTING SYSTEM
Canada Post Corp. announced that it will reduce or eliminate manual mail-sorting operations in 90 communities across Canada and transfer them to automated facilities in major cities. Company officials said that the move could save $20 million a year and allow it to eliminate 800 jobs through attrition and early retirement.

PETRO-CANADA PREPARES
Petro-Canada announced that it will sell off 10 oil and gas properties estimated to be worth about $350 million. The sale is part of a sweeping restructuring program designed to make the company more attractive to potential investors before the federal government allows it to sell shares to the public.

BACK-TO-WORK ORDER
Quebec's national assembly passed legislation imposing a new contract on 14,000 Hydro-Québec employees who have been staging rotating strikes for the past 16 months. The contract calls for annual wage increases of four, 5.1 and four per cent in a three-year contract retroactive to December, 1988.

PWA LOSSES CONTINUE
Calgary-based PWA Corp., which owns Canadian Airlines International Ltd. and Wardair Inc., reported that it lost $34.2 million on revenues of $662 million in the first quarter of 1990. Last year, the company posted a $56-million loss, its first loss in 19 years, following its $248-million acquisition of Wardair in January, 1989.

AUTO SALES SLUMP
Canada's auto sales slump, which has already resulted in widespread layoffs, continued in April. The Big Three domestic automakers—General Motors of Canada Ltd., Ford Motor Co. of Canada Ltd. and Chrysler Canada Ltd.—reported that their car and truck sales fell to 96,771, down 29.6 per cent from April, 1989.

quarter, but the rest of the year is murky."

Ad agency executives also predict that their clients will continue to cut back on spending because of fears that the economy will worsen later this year. As well, they are refraining from long-term advertising campaigns, the lifeblood of many magazines. Ann Boden, executive vice-president at McKim Advertising Ltd. in Toronto, says her clients are now demanding "marketing plans with short life-spans."

Although Maclean Hunter's magazine division showed a slight increase in profits for the first quarter of this year, James Warrillow, the president of the company's Canadian Publishing division, says that the second quarter will likely be "very difficult." Several areas of uncertainty are contributing to the advertising slump, Warrillow said, including the uncertain outlook for the economy, the future of the Meech Lake constitutional accord and the impact of the proposed GST. Changes in postal rates for magazines could also adversely affect Maclean Hunter, Warrillow added, depending on the structure of a replacement program that has been promised by the federal department of communications.

Although magazines have been the hardest hit, declining advertising revenues are also forcing executives with the country's largest newspaper chains to contemplate major internal changes. John Craig, senior vice-president of finance at Southam Inc., said that he believes the recession has already arrived. The company, whose newspaper division showed a slight profit increase, to $24.5 million in the first quarter of this year from $22.5 million in the same period last year, could face a takeover battle after June 30. At that time, a complex 1985 share-exchange agreement with Torstar Corp., publisher of *The Toronto Star*, expires. Because of that, Southam passed dramatic anti-takeover measures at its annual meeting last week.

Torstar itself reported disappointing profits last week, posting a first-quarter drop of 12 per cent, to $20.4 million. As well, career advertising at the daily has fallen by 36 per cent for March of this year, said Tom Murta, Torstar's vice-president of marketing. "We're at the mercy of the economy. The first thing that turns down is the help-wanted and career sections."

Toronto-based Thomson Corp., which owns *The Globe and Mail* and is Canada's largest newspaper chain in terms of gross revenues, will not release first-quarter results until mid-May. But Thomson, which is controlled by Toronto billionaire Kenneth Thomson and his family, and which has extensive publishing interests in the United States and the United Kingdom, began to suffer last year. Operating profits grew by only 10.5 per cent in 1989 to $487 million, compared with 25 per cent growth in the previous year. As a result, the company last month closed down the money-losing 135-year-old *Brampton Times*, 45 km northwest of Toronto.

Meanwhile, at the Toronto Sun Publishing Corp., Creighton says that the company's precipitous 47-per-cent drop in profits in the first quarter was, to some extent, predictable. Profits are being dampened by what analysts estimate to be the $22.5-million start-up cost of the 1988 launch of *The Financial Post*'s daily edition, and an undisclosed amount for the 1988 launch of the *Ottawa Sun*. Still, Creighton acknowledges that the drop in advertising revenue has been the main reason for the company's results so far this year. Said Creighton: "It's not fewer readers, it's fewer advertisers. Our numbers on circulation are not down. We've been accustomed to very good times, and I guess now we have to batten down the hatches."



Southam's Vancouver Province newsroom: fears that the economy will worsen

Boden: spending cutbacks



Canada's hotly competitive business press has been a particularly sensitive barometer of declining advertising revenues. In the late 1980s, financial newspapers such as the *Post*, the weekly *Financial Times of Canada* and *The Globe and Mail*'s Report on Business section spent lavishly to redesign or expand their publications and hire new staff in an effort to attract lucrative corporate advertising. Last December, the *Times* became the first casualty in the cutthroat battle. After posting steep losses incurred to redesign and revamp the weekly, owner Southam Inc. sold it to Thomson's *Globe and Mail*.

Advertising in the *Globe*'s Report on Business, measured by the number of ad pages in the section, also dropped by 12 per cent in the first quarter. Advertising pages at the *Times* have slumped even more dramatically—30 per cent fewer ad pages during the same time period. And, while *The Financial Post* has made gains, some analysts estimate that the daily is still losing about $1 million a month.

Still, some publishers are investing heavily in new projects despite the uncertain outlook. Time Warner will spend at least several million more to keep the money-losing *Entertainment Weekly* alive. And last week, British media baron Robert Maxwell announced that he will launch a pan-European daily newspaper, *The European*, beginning this week. Despite widespread criticism of the project as unrealistic in the current market, Maxwell claimed that he is willing to spend up to $95.5 million to keep the new paper alive.

Most publishers and media analysts predict that the tough times will likely continue until at least the end of 1990. Said analyst Morton: "Publishers are not optimistic about this year. They hope that 1991 will be better, but not until later in the year." Then, they hope, the ink will take on a more pleasing shade of black.

PATRICIA CHISHOLM *with* **MICHAEL HARRISON** *and* **BARBARA WICKENS** *in Toronto and correspondents' reports*



Trump inside the Taj Mahal casino: earning $1.2 million a day to break even

Shaking up a titan

Donald Trump says that he is still worth $4.6 billion

For the past three months, Donald Trump has been the subject of sensational reports about his separation from his wife, Ivana, and his alleged affair with sexy former model Marla Maples. So far, however, the flamboyant and usually loquacious 43-year-old, New York City-based real estate, casino and airline magnate has declined to discuss his marital difficulties publicly. But, last week, Trump responded swiftly and angrily to a report in *Forbes* magazine that alleged that he is facing a growing financial crisis. The magazine reported that Trump's net worth has shrunk by about two-thirds over the past year—to about $580 million from $1.7 billion—and that he is struggling to pay the interest on a $3.7-billion debt. In an interview with *Maclean's*, Trump called the report "a disgrace" and he denied that he is being forced to sell off assets in order to reduce his debt. Trump added that *Forbes*'s late owner and editor-in-chief, Malcolm Forbes, had held a deep hostility towards him that has continued under his son and successor, Malcolm Jr. Declared the tycoon: "*Forbes* has it out for Trump, the bastards."

But even before the *Forbes* report appeared, the entrepreneur himself touched off speculation about the health of his empire when he stated late last month that he was seriously considering selling his Trump Shuttle airline. And the normally acquisitive Trump also told *Maclean's* that he would be willing to consider selling almost any one of his holdings, if he gets "a price that is justified." In addition to the Boston-New York-Washington airline, which Trump bought for $438 million last year, holdings include the historic Plaza Hotel overlooking Central Park, the distinctive, triangular Trump Tower on Fifth Avenue and four other major Manhattan hotels and condominiums, as well as three Atlantic City, N.J., casinos. He said that he would use the proceeds from any sales to snap up bargains in the slumping New York real estate market. But *Forbes* claims that Trump "is bleeding at the rate of $46.4 million a year" because his current holdings are not generating enough cash to cover his borrowing costs. That view is supported by some financial analysts. Said Abraham Wallach, a senior vice-president with the New York-based real estate investment firm First Capital Management Ltd.: "I am sure that he is hurting."

Last week, financial pressures appeared to intensify when his casinos released their preliminary revenue reports for April. Those figures showed that his glittering new Trump Taj Mahal—by far the biggest casino in Atlantic City—took in $40 million in the first month of operation after it opened on April 1, but that most of the revenues seemingly were at the expense of his other two casinos, the Trump Plaza and the Trump Castle. The Plaza's revenues fell by 25 per cent from April, 1989, to $21.2 million, while the Castle's revenues dropped by 11.8 per cent to $20 million.

In recent years, Trump's casinos have generated sufficient cash to help him carry his expensive Manhattan real estate investments. But the opulent 1,250-room Taj, where Trump installed more than 100 crystal chandeliers and which is three times larger than the 17th-century Indian palace that it is named after, took eight years and over $1.2 billion to construct. Just to break even, it has to continue to take in more than $1.2 million a day.

For his part, Trump said in the interview that he expects the Taj to be a significant source of profits. His main objection to the *Forbes* estimate of the value of his holdings is that it did not take that income into account. Said Trump: "They include the Taj Mahal's interest expense, but they don't include its income. How can you do that?"

Trump's holdings are private, but *Forbes* based its estimates on nonpublic financial documents that he submitted to the U.S. government last year. The magazine said that Trump has $4.3 billion in assets against $3.7 billion in debts. Trump, however, says that his net worth is at least $4.6 billion. And he claims that *Forbes* underestimated the value of every one of his major New York properties.

Still, he has yet to realize significant returns from other properties that he borrowed heavily to purchase. Trump says that he has sold half the units in the uncompleted 55-storey Trump Palace condominium tower on Manhattan's affluent Upper East Side, where apartments list for between $400,000 and $7 million and storage rooms start at $24,600. But First Capital's Wallach says that it will be difficult for Trump to get his asking price for the rest of the units in a city where condominium prices have fallen by approximately 25 per cent over the past two years.

Ultimately, however, the dispute over the real worth of Trump's holdings will only be resolved when he actually sells some of them. For now, he is attempting to project a confident image to counter the unfavorable publicity about his business dealings and his personal life. Said the ever-ebullient developer: "It's been a tough year public-relations-wise, but it's going to be fine on the bottom line."

JOHN DALY *with* **LENNY GLYNN** *in New York*

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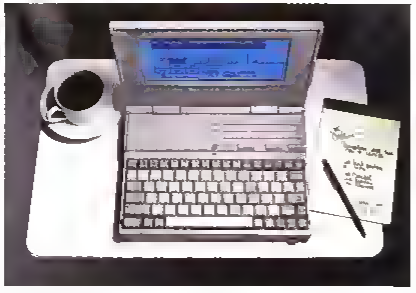
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A fight for control

In Pennsylvania, a town rebuffs the Belzbergs

When the multimillionaires from Vancouver arrived in the small Pennsylvania town of Lancaster—in the heart of usually hospitable Amish country—intent on taking over a 130-year-old local firm, they received an icy reception. The visitors were members of the powerful Belzberg family, owners of First City Financial Corp. Ltd., and ever since they acquired a 10-per-cent stake in Armstrong World Industries Inc., a furniture and building-materials company, last summer, they have been fighting with the management for control. Armstrong chairman William Adams, who has worked for the firm for the past 34 years, declared that the company was not for sale. That position sparked a proxy battle leading up to last week's annual Armstrong shareholders' meeting. But the real issue was not so much a skirmish between shareholders and management, as it was a town's determination to prevent its major employer from being taken over by a foreign investor from Canada. The Belzbergs, Adams declared, were not industrialists and would not know how to run Armstrong, a $2.9-billion industry whose name-brand products include Armstrong tiles and Thomasville furniture.

Ostensibly, the fight last week was for four positions on the board of directors. In advance of the annual meeting, both sides ran full-page advertisements accusing the other of poorly managing their respective companies. Even the Pennsylvania state legislature became involved: at the insistence of Adams and others, including the Pennsylvania Chamber of Commerce, on April 27 the legislature enacted the toughest anti-takeover legislation in the United States. But last week's 33-minute annual meeting turned out to be a quiet affair. When Robi Blumenstein, senior vice-president of the Belzbergs' First City Capital Corp., requested an official vote on a list of amendments that challenged Armstrong's own anti-takeover measures, Adams politely ruled him out of order, leaving the issue to be challenged in the courts.

Still, the Belzbergs—who, with about 11 per cent of Armstrong stock, are the second-largest investors after the company's own employee pension fund, which holds nearly 12 per cent—claimed a partial victory last week. Official results of the election to the company's board of directors will not be known until later this month, but the Belzbergs said that one of their four candidates, Harvard University business professor Michael Jensen, was elected to the 13-member board.

Many financial analysts, however, question whether the Belzbergs will continue with their takeover attempt, because conditions have changed dramatically since the family first bought into Armstrong. The junk-bond market, which offered one possible way of financing a takeover bid, has virtually disappeared after some dramatic failures, bankruptcies and criminal convictions of executives in other firms. Meanwhile, the Belzbergs have lost about $35 million on their investment because Armstrong stock dropped to $40.84 at week's end from the $46.70 a share they paid for 4.8 million shares nearly a year ago. As a result, the Belzberg takeover attempt, says Lawrence Horan, who monitors Armstrong for Prudential-Bache Securities Inc. in New York City, is "losing credibility."

Another major change in the business climate surrounding the fight is the anti-takeover law that Pennsylvania Gov. Robert Casey signed just three days before Armstrong's annual meeting. Casey said that the legislation



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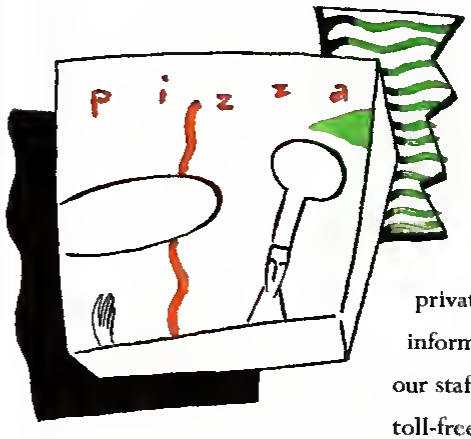
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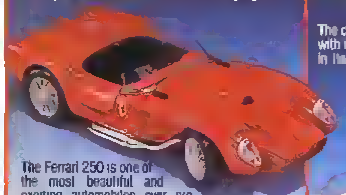
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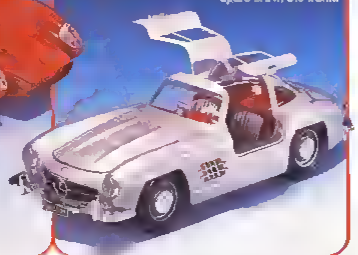


The Ferrari 250 is one of the most beautiful and exciting automobiles ever produced. This scale reproduction is made of diecast metal and features an intricately detailed 12-cylinder engine replica under the hinged hood. The interior sports a realistic dashboard, a steering wheel that moves the front wheels and a movable gear lever. This 1957 Ferrari Sportster comes in a lustrous red enamel finish.

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was needed to discourage corporate raiders from stripping jobs and economic vitality from the economically troubled state. Generally called the "Armstrong bill," the anti-takeover measure forces any investor to return to the target company, within 18 months of a takeover bid that subsequently fails, all profits derived from selling shares. The law also prevents shareholders who control 20 per cent or more of a company's stock from exercising their voting rights until the other shareholders agree to let them vote. The law also allows management to give first consideration to employees, customers, suppliers or the community, rather than shareholders, when weighing takeover bids. Finally, the law says that if corporate ownership changes hands, labor contracts have to be honored and severance paid to any laid-off workers.

But powerful critics of the new law, including the U.S. Securities and Exchange Commission and Pennsylvania's own state employees retirement fund, say that it so seriously infringes upon the rights of shareholders that it will drive investors away from Pennsylvania. Two lawsuits, filed immediately after the law was enacted, also allege that it is unconstitutional. One suit, filed on behalf of the Belzbergs in U.S. district court in Philadelphia, says that the law conflicts with federal securities legislation and violates the Fifth Amendment of the U.S. Constitution, which guarantees that property cannot be confiscated without compensation. The second suit was filed by two other individual Armstrong shareholders who live outside of Pennsylvania. Said their lawyer, Richard Greenfield: "The shareholders are concerned with the provision of the new law that effectively takes away the very fundamental rights they've traditionally had." For their part, the Belzbergs are awaiting the outcome of the court cases before making any decisions about further takeover attempts on Armstrong.

Meanwhile, large institutional investors, who together hold about 60 per cent of Armstrong stock, while pleased with recent company results showing quarterly profits ending March 31 of $66.7 million—a 53-per-cent increase over the same period in 1989—do not seem impressed with Adams's own moves to entrench management powers and his recourse to the Pennsylvania legislature. Several of them have threatened to press large Pennsylvania companies, such as Conrail and Scott Paper Co., to move their legal headquarters out of the state in order to avoid the restrictive new state legislation.

For now, the Belzbergs have vowed to continue to try to influence Armstrong's strategy through their lone director, Jensen, who will press the company to spin off or sell its non-core furniture and industrial products and concentrate on its more promising brand-name businesses, moves the Belzbergs maintain will enhance profits. Clearly, the fight is far from over between Lancaster's residents and their unwanted investors.

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Losing one's innocence at the bank

BY PETER C NEWMAN

Phil Nuytten goes to work in a sweatshirt and baggy denims, smokes cheap cigarillos and sports the last brush cut in captivity

Although the Big Six banks still deny it, for more than a year now they seem to have been withdrawing more and more of their credit funds and facilities from what they still regard as Canada's "Wild West"—which to them means anywhere on the Pacific side of Toronto's Humber River—or, for that matter, east of Toronto as well. Not only have credit limits been drastically cut, but autonomous loans officers have been replaced by foreclosure artists, dedicated to the notion that it's a lot less trouble to service one $10-million payout to some Bay Street hotshot than ride herd on 10 $1-million loans to Western entrepreneurs—even when the risk level is minimal. Take the case of North Vancouver's 48-year-old Phil Nuytten, this country's most innovative and successful commercial diver.

Much too relaxed and mischievous to fit any corporate mould, he goes to work in a sweatshirt, baggy denims and loafers, smokes cheap plastic-tipped cigarillos and sports the last brush cut in captivity. He spends his spare time carving wood and has achieved such renown that he is one of the few white men regularly admitted to the potlatches of the Kwakiutl Indians. Nuytten has been obsessed with the underwater world since he was making his own scuba gear and skipping high-school classes to explore Stanley Park's offshore wonders. He eventually quit school to run his own skin-diving supply shop and in 1966 formed Can-Dive Services Ltd., which over the next two decades grew into the Canadian industry's largest underwater-skills company, at times employing up to 145 professional divers.

His enterprise was so successful that it became one of the cornerstones of a multinational diving conglomerate, Oceaneering International of Houston, with annual revenues of $130 million. Because he wanted to regain independence, he borrowed $4.5 million and repatriated his company to Vancouver in the mid-1980s. Can-Dive has since averaged annual sales of about $10 million, with healthy, if not spectacular, profit margins. As well as pioneering exploration diving in the Beaufort Sea oilfields, Nuytten invented the Newtsuit—a diving system for deep-water diving. A lightweight garment that allows its wearers to plunge 1,000 feet in five minutes, work all day, then return to the surface without spending hours inside a decompression chamber, it gives divers unprecedented internal mobility: they can even scratch their noses.

International Hard Suits Inc., the Can-Dive subsidiary that manufactures the gear, currently has 24 orders at $300,000 per unit, worth at least $1.2 million in net profit. The company also holds patents worth several million. Nuytten's companies have turned in healthy profits in all but two of the past 23 years, and that gap was caused by Dome Petroleum's financial troubles and the resulting cutback in exploration and drilling in the Beaufort Sea.

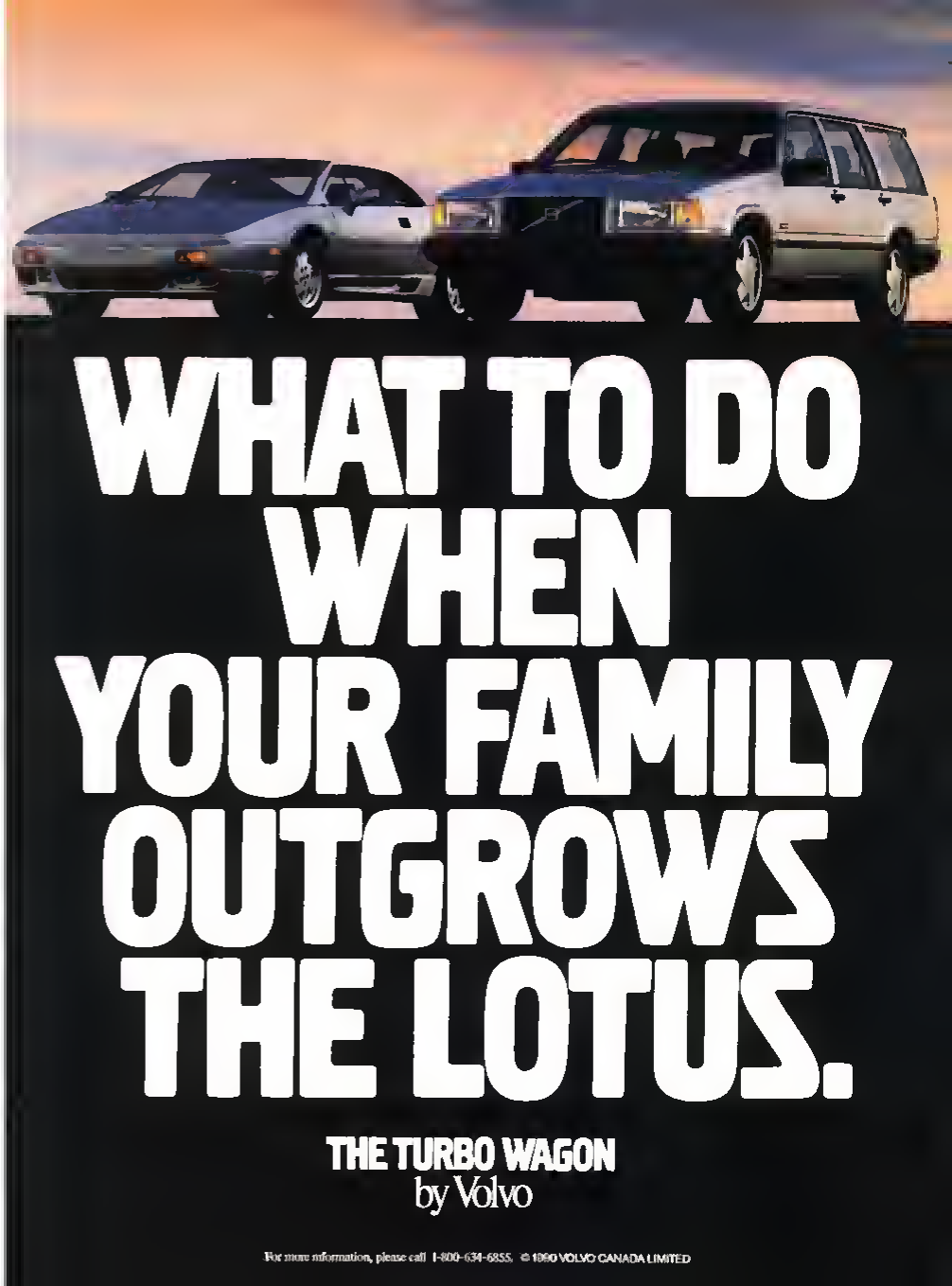
But a year ago, with no warning, the Bank of Montreal almost put Nuytten out of business. Although he had repaid all but $1.2 million of an original term debt and the bank was holding at least several times that much in various collaterals, the local loans officer informed the Can-Dive owner that it was about to foreclose. "The bank," Nuytten recalls, "demonstrated an amazing degree of inflexibility. Our profit outlook is the best in years, and the fact that their precipitous action would cause Can-Dive to cease operation didn't seem to bother them one bit. One of their officials confided to us that the main reason was that they preferred to place their money in high-growth, no-risk areas of Central Canada."

Advised by Vancouver lawyer Fred Shandro, who specializes in such bank litigation cases, Nuytten told the Montreal he would sue if they shut him down. He then negotiated a $1-million loan guarantee from the B.C. government, though it was contingent on getting a regular commercial loan from another bank. Despite the fact that the combination of the provincial guarantee plus the undisputed worth of Can-Dive's $5 million in assets removed any risk—and the fact that Can-Dive had exceeded its profit projections—all the banks dug in. "It was very obvious in our search for refinancing that the fact the Montreal was letting us go effectively precluded us from finding funds elsewhere," Nuytten remembers with considerable bitterness. "The obvious question came up again and again—if your business is as good as it looks, why is the B of M not willing to extend their facility? The unspoken portion of the comment was, 'It's easier to say no to you right off than try to figure out what the Montreal knows about you that we don't.' The fact there was nothing to know other than what our statements indicated never got a chance to be shown. I kept saying that it was like somebody accusing you of child molestation, and when you're called into court, they say, 'Well, you must be guilty or you wouldn't be in court.'

"We'd present our case to some banker who'd be jumping up and down wanting to be part of this whole thing, because he could see nothing but fees and interest coming his way. Then as soon as he found out the Montreal was handling our business in their 'special accounts' section, he wouldn't have anything more to do with us. Just because one bank, acting on a capricious whim, decides they don't want to carry you anymore, it becomes almost impossible to get financing anywhere else. Under the present system, the banks have a licence to kill, carte blanche, to wipe out your business at will."

Nuytten eventually got his loan from two Toronto-based pension-plan venture capital funds, Commercial Capital Corp. and Canadian Corporate Funding Ltd., which are charging him a rate higher than a commercial bank would charge, but at least it's a straight business deal with no unwarranted foreclosure possible as long as he keeps up his payments. But the process has been so demoralizing that Nuytten is now negotiating with a series of international firms to sell a substantial part of his shares in Can-Dive, proceeds from which will be used to retire all debt. "I've gotten old over this thing," he laments. "I'm so pissed off at the banks for taking my innocence away, which may be a silly thing for a businessman to say, but I mean it.

"I feel as if these crazy bankers," he says, "have cost me 10 years of my life."



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packaging practices to help industries and consumers. Half the diversion will have to result from reduction and reuse of packaging, the rest through recycling. Initially, the reduction guidelines will be voluntary. But if the first reduction target, 20 per cent by Dec. 31, 1992, is not met, the federal government plans to introduce legislation to enforce the guidelines. Lotzkar says that although there are still many details to be worked out, including precisely how the targets can be achieved, she is confident that the long-term goal can be met. "I think it's realistic," she said. "It's absolutely doable."

Already, some companies have taken steps to reduce packaging. Since September, Toronto-based Procter & Gamble Inc. has marketed six of its products, including Tide, Mr. Clean, Ivory and Downy, in one-litre plastic containers called Enviro-Paks. The theory behind the containers is that rigid plastic detergent bottles can be refilled rather than thrown out. The pouches use between 70 and 85 per cent less plastic than the bottles and could eliminate more than five million plastic bottles—about 300 tons of material that goes to landfills every year. Spokesman Barry Pipes says that the company expects to convert about 20 per cent of consumers to Enviro-Paks in the first year. Added Pipes: "It will take a while to get the public to come around."

Other companies' packaging reductions have proven to be cost-effective. In February, the Canadian Recording Industry Association announced plans to eliminate the clear plastic blister packs and long cardboard boxes in which compact discs are sold. The industry began the phase-out last month and it will continue until September. Explained association president Brian Robertson: "The blister pack was just an obscene piece of plastic that served no useful purpose other than to cater to the retailer."

Stanley Kulin, president of WEA Music of Canada Ltd., says that he was surprised to receive complaints about the packaging. One man, he recalled, even mailed him a stack of the six-by-12-inch packages, saying that he was returning waste material. "In all my 36 years in the business, I've never before received complaints about packaging," said Kulin. "But, with CDs, consumers are recognizing excessive packaging." As a result, he added, WEA, for one, can cut the cost of the discs to the retailers by 75 cents.

But the Packaging Association's Robinson acknowledges that, although the industry has to respond to environmental concerns, the 50-per-cent goal is ambitious. Declared Robinson: "It's politically motivated and probably not based on scientific fact." There may be other problems, as well, said Larry Dworkin, public affairs consultant to the association. For one thing, the industry may become less competitive with U.S. packagers who are not bound to make a similar diversion and whose operating costs are already lower.

In addition, federal regulations govern what information must be attached to products and what the print size has to be. Dworkin says that a bottle of contact cement, for one, will have to carry directions for use, warning labels and first-aid instructions in both English and French. He added that, because that cannot all fit on the bottle, manufacturers have to wrap the bottle in surrounding material. "The demand for packaging materials will continue to increase," said Dworkin. "The biggest question is, who's going to supply it? American or Canadian companies?"

The changes may also hurt the $12-billion-a-year packaging industry, which currently employs about 60,000 people. Dworkin says that without federal or provincial aid to help packaging companies develop new materials, the guidelines will be difficult to follow. For his part, David Hay, a senior official in waste management at Environment Canada and chairman of the task force, said that there are currently no plans for any kind of funding because it is uncertain how much of an impact the policies will actually have. But they could have an effect on packaging-industry employment levels, Dworkin said. "We should anticipate some job dislocation," he added. "How much, I don't know."

But industry officials and environmentalists say that consumers are going to have to change their buying habits if the target is going to be met. Pierre Dubois, a vice-president and general manager of Montreal-based Twinpak Inc., a leading Canadian manufacturer of plastic containers, says that he does not argue with the basic premise of the task force guidelines, but adds that a great deal depends on the consumer. "Everybody says they're willing to do this, that and the other thing," said Dubois. "But, when it comes right down to it, they'll still go for convenience, which creates a continued demand for packaging." For that reason, the task force's recommendations include plans for a public education campaign. Said Abraham Finkelstein, a senior official of waste management at Environment Canada and a member of the task force: "We're going to have to rethink our purchasing habits."

But there is already considerable evidence of change. Indeed, major dairy producers in British Columbia are planning to reintroduce milk in glass bottles. Thomas Low, spokesman for Dairyland Foods, says that the Burnaby, B.C.-based company, the largest dairy producer in the province, will have one-litre returnable glass bottles on the market by summer. Low acknowledges that glass is not perfect packaging material because it can break, is more difficult for dairies to transport and could be inconvenient for consumers. In addition, the dairies will have to put the bottles through a rigorous cleaning process, which will consume energy and large quantities of water—all of which will cause higher prices. But, Low added, "The public is going to have to realize that there's a price tag with everything."

Still, polls indicate that Canadians are prepared to pay more for environmentally sound products. A 1989 survey by the Toronto-based Grocery Products Manufacturers of Canada, which represents 150 food and beverage makers, indicated that as many as 80 per cent of consumers would be willing to spend more on environmentally safer groceries. Janine Ferretti, executive director of Toronto-based Pollution Probe, says that she thinks the key to package reduction's success is convenience. "We've got to look at a marriage between what's practical and what makes environmental sense," she said. "People will return reusable containers if there's a convenient way to do it." That is clearly the creative challenge to which the packaging industry and the federal government must now rise.

NORA UNDERWOOD *with DAVID TODD in Toronto*



ANDREI KOZHAKA

Domarchuk: an increasing awareness of the dangers of unnecessary packaging

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AIDS changes face

The virus is spreading in new directions

It is simply called "The Works." Since August, 1989, the redbrick row house in downtown Toronto has been headquarters for a team of counsellors confronting a monumental challenge: to prevent the spread of AIDS among the city's illegal drug users. In its first six months, the four-member team exchanged more than 7,000 free sterile syringes designed to discourage needle-sharing among addicts. Staff members also handed out bleach kits for cleaning syringes, supplied condoms and, in all cases, offered advice on AIDS prevention and other sexual problems. A sense of urgency surrounds the project. Said Fred Ruf, who manages Toronto's AIDS Prevention Program and oversees The Works: "Once the AIDS virus gets seeded in this population, it could be explosive."



SPICER/CANAPRESS

Walters: greater efforts to control AIDS are critically needed

The rapid spread of AIDS among illegal drug users is just one of the disturbing trends that have aroused concern among North American AIDS researchers and health-care officials. At the same time, conflicting claims about the direction that the nearly decade-old AIDS epidemic is taking have led to a debate among AIDS experts. Recent studies in the United States indicate that the number of new AIDS cases is no longer increasing as rapidly as it did through most of the 1980s. But many medical researchers warn against drawing optimistic conclusions from the figures. They point out that, while the epidemic among homosexual and bisexual men appears to be slowing, AIDS may pose a growing threat to the poverty-stricken inhabitants of North America's inner cities. Other experts say that the epidemic may eventually spread more rapidly through the teenage population as well, placing an unmanageable burden on North American health-care systems for decades to come.



HOWARD/FOCUS STAFF PHOTO

Sharing needles: a sense of urgency about drug addicts

The most heated debate emerged from research earlier this year that pointed towards a possible slowing in the inexorable march of the disease. In February, the Atlanta-based Centers for Disease Control (CDC) reported that the number of new U.S. AIDS cases rose by nine per cent to 35,238 in 1989—the smallest annual increase since the federal health agency began monitoring the disease in 1981. Some Canadian statistics also point to a levelling off in the epidemic's growth. Dr. Alastair Clayton, director general of the Ottawa-based Federal Centre for AIDS, said that, since mid-1987, the number of new cases reported in Canada has been steady at approximately 900 a year.

At the same time, researchers say that AIDS is also spreading less quickly in the homosexual community. Dr. Andrew Moss, a University of California epidemiologist, estimated that new cases in San Francisco now number fewer than 10 a month, compared with 400 to 500 a month in 1981. And although homosexual and bisexual men still account for the majority of reported AIDS cases, the proportion is declining. A recent Canadian study found that homosexual men accounted for 84 per cent of Ottawa-area AIDS cases in 1986, but they numbered only 65 per cent of the 1989 cases.

The cause of that decline is a subject of vigorous debate within the scientific community. Some researchers claim that the advent of new drugs, including zidovudine, has enabled many people infected with the AIDS virus, also known as the human immunodeficiency virus, or HIV, to delay the onset of symptoms and strengthen the immune system. Other experts say that homosexual men have responded to public information campaigns about AIDS by adopting safer sex practices, including condom use. Said Moss: "People have been beaten over the head with AIDS, and it has worked."

Other experts argue that the slower rate of increase is irrelevant as long as there are any new cases at all. As well, an unknown number of people—as many as 50,000 in Canada alone—are believed to be infected by HIV. And with the cost of treatment for a single AIDS patient now as much as $150,000 a year in Canada, the disease is expected to place increasing pressure on the health-care system. Dr. David Walters, director of the Ottawa-based Canadian Public Health Association's AIDS Education and Awareness program, said that optimistic interpretations of new data risk promoting public complacency at a time when greater efforts to control the disease are critically needed. He added, "I don't want to see us take 20 or

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30 years to get our act together on AIDS."

At the same time, experts have expressed alarm at the rate of increase in cases among illegal drug users. According to CDC figures, nearly a quarter of all new AIDS cases reported in 1989 were among users. In Canada, by contrast, drug users make up only one per cent of total cases. But, in some cities, the numbers are increasing. In Ottawa, for one, new cases reported among needle-using addicts increased to 13 last year from only two in 1986.

In the United States, some health experts say that the epidemic among users has uncovered still another trend: the emergence of AIDS as a disease of the urban underclass. In many large U.S. cities, AIDS now is striking disproportionately large numbers of blacks and Hispanics. Indeed, in New York City, where 28 per cent of the population is nonwhite, 62 per cent of all reported AIDS cases to date have occurred among that group. Alan Beck, spokesman of the New York-based advocacy group AIDS Coalition to Unleash Power (ACT UP), said that inner-city communities, traditionally ill-served by health and social services, are poorly equipped to deal with an epidemic.

So far, there are few signs of a similar trend in Canada. Dr. Catherine Hankins, co-ordinator of the Montreal-based Centre for AIDS Studies, says that although Canada has its share of urban poor, the country lacks the devastated inner cities common to many U.S. urban centres. Still, there is an undeniable link between poverty and AIDS, and health workers say that the disease may take a toll on people trapped at the bottom of the economic scale.

AIDS researchers have also noted an increasing number of women with the disease. In February, the CDC reported 3,931 new cases of AIDS among American women in 1989 - an 11-per-cent increase over 1988. In Canada, there were 51 new cases among women in 1989, up from 44 the previous year. According to the CDC's figures, the disease preys particularly heavily on women from low-income groups and members of visible minorities. About 84 per cent of New York women diagnosed as having AIDS last year were black or Hispanic. (Forty-five per cent of the women in New York are black or Hispanic.)

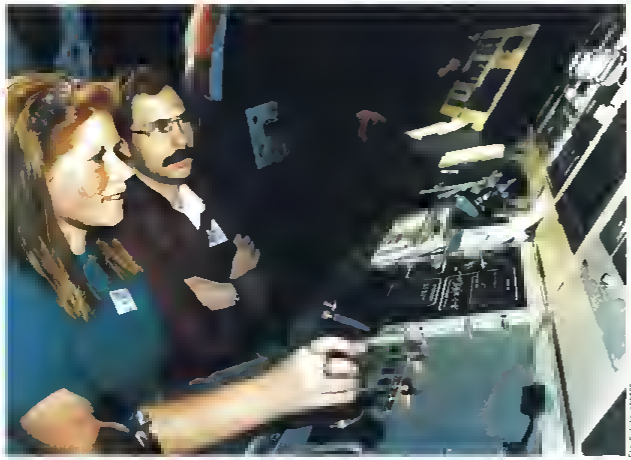
In the future, teenagers may be at increasing risk from AIDS. Teens now account for a tiny proportion of cases. In Canada, only 13 of the 3,747 cases reported since 1979 were among teenagers. But sexual attitudes and behavior may make them a major risk group. Indeed, a 1988 study at Queen's University in Kingston, Ont., found that although three-quarters of first-year students were sexually active, only 14 per cent of those reporting frequent sexual intercourse said that they used condoms. Said Bluma Appel, chairman of the Toronto-based Canadian Foundation for AIDS Research, "The teenage community may eventually be where where the gay community was in 1979." Clearly, spreading the AIDS-prevention message has become a greater priority than ever.

DAVID TODD *with ANNA PRODANOU in Toronto*

Exploring history

Taking a trip to the depths of Lake Ontario

In the early hours of Aug. 8, 1813, a sudden squall blew over Lake Ontario. Two U.S. warships, the 73-foot Hamilton and the 57-foot Scourge, which were preparing to go into action against British vessels, sank, taking 53 crew members to their deaths. Since then, the ships involved in the War of 1812, have been preserved in near-perfect condition in the frigid water about 300 feet below the surface near Port Dalhousie, Ont., about 50 km south of Toronto. In an unusual 13-day venture that began last week, thousands of North American students watched as U.S. marine scientist Robert Ballard launched the first systematic survey of the historic site. Ballard, 47, who discovered the rusted wreck of the Titanic in 1985 and the German ship Bismarck in 1989, said that he was elated to find the ships in such good condition. Declared Ballard: "The ships are a hundred years older than the Titanic. And yet they look like they were built yesterday."



SHAE LAWARES

Student Erin Robbins (left) with ocean engineer Timothy Grimm: opportunity

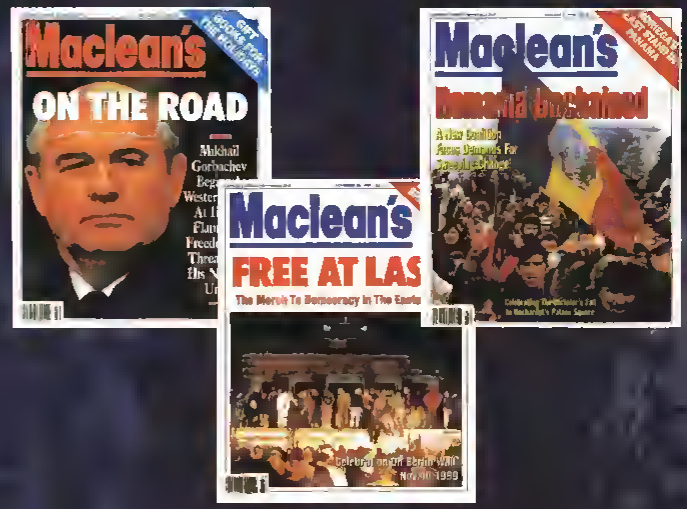
Using underwater television cameras, Ballard and his 30-member team transmitted a pictorial record of their underwater survey live by satellite to 12 U.S. museums and science centres, and to the Ontario Science Centre in Toronto and the Royal British Columbia Museum in Victoria. Students were able to ask Ballard questions over a fibre-optics voice link-up and some, using remote control equipment, helped guide the 2,400-lb. picture-taking robot nicknamed Jason, as it surveyed the ships.

Ballard, who is the director of the Center for Marine Exploration at the Woods Hole Oceanographic Institution in Woods Hole, Mass., said that the purposes of the expedition were scientific and historical. For the in-depth study, the expedition is using Jason and an unmanned underwater vehicle called Medea to examine and photograph the two wrecks. Equipment on Jason projects laser beams on parts of the ships to produce images that can then be used to build a computerized model of the ship.

Ballard said that his other goal in studying the ships is to share the sense of scientific discovery with young people and encourage their interest in mathematics and science. Ballard said that young people's interest in the subjects has suffered over the years, in part because children see scientists as "nerds." By letting them witness the expedition as it happens, he said, "we want them to say, 'Look what fun they're having!'" Added Ballard: "Math is like mental pushups. The point is, we've got to make the game worth playing."

NORA UNDERWOOD

Front row centre as the Curtain rises.



The remarkable events shaking the Soviet Union and Eastern Europe are being reported by Maclean's team of correspondents, led by our Bureau Chief in Moscow, Anthony Wilson-Smith, and London Bureau Chief Andrew Phillips. As the real life drama unfolds, their accounts provide perspectives from both sides of the Iron Curtain and appear exclusively in Canada's Weekly Newsmagazine.

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BRIAN WILLER/MACLEAN'S

Connors: 'The guy is a national treasure—he captures the essence of Canada'

MUSIC

A rebel's return

Stompin' Tom Connors goes back to the stage

Mild-mannered and moderate, Canadians are generally wary about wrapping themselves in the flag But Stompin' Tom Connors is unabashed about *his* patriotism When the country singer hit the stage last week in Owen Sound, Ont —his first concert in 13 years—the backdrop was a giant Maple Leaf As the flag unfolded across the back of a high-school auditorium in the Georgian Bay community, 190 km northwest of Toronto, Connors walked onstage, and the packed audience of 700 greeted him with a standing ovation Gaunt-faced, wiry and dressed from Stetson to boots in black, the 54-year-old musician from Skinner's Pond P E I , looked more like a villain from a western than a defender of Canadian culture. But when he broke into his opening tune *Around the Bay and Back Again*, with its references to the Georgian Bay locales of Tobermory, Collingwood and Owen Sound itself, his role as a champion of his country became clear.

When Connors stopped performing and recording in 1976, he condemned the music industry's lack of support for Canadian talent Some of his fans treated his disappearance from the music scene as a national tragedy Such celebrities as *Morningside* host Peter Gzowski and comedian Dan Aykroyd publicly pleaded with him to return Many were puzzled that he left at the peak of his career, with a dozen top-selling albums to his credit But the fact that Connors chose to turn his back on success only added to his mystique. He retired to a quiet, low-profile existence in an undisclosed southern Ontario location with his wife, Lena (a former go-go dancer whom Connors married on CBC TV's *Elwood Glover Show* in 1973), and their son, Tommy, now 14. And he became a cult figure, worshipped by younger fans who admired his honest brand of music and his rebel stance.

His comeback began two years ago, but it has been a gradual process, with Connors remaining wary of the limelight First, he performed several times on *Morningside* in 1988 Then, he agreed to appear on the 1989 CBC TV special *k.d. lang's Buffalo Cafe*. And, in an indication of his continued appeal, Toronto-based Capitol Records last year signed Connors to a deal that includes reissuing 14 of his 35 albums, as well as the re-release last fall of his latest record, *Fiddle and Song*, which had appeared a year earlier on an independent label Now, with a 70-date national tour, which opened in Owen Sound and will take him to towns and major cities from coast to coast over the next six months Connors appears ready to resume his role as a troubadour for ordinary Canadians. Said Capitol's president, Deane Cameron, "The guy is a national treasure. Like the Group of Seven, he captures the essence of Canada."

There have always been detractors who ridiculed Connors's crudely rhyming tunes about miners, fishermen and truck drivers. But at the Owen Sound show, the crowd clearly adored his distinctive style—the nasal voice, comic facial expressions and trademark boot-pounding, from which he got his nickname He has performed with his own plywood "stompin' boards" ever since a hotel owner complained about the wear on his carpet Last week, when he sang his popular *Sudbury Saturday Night* ("Well, the girls are out to bingo/And the boys are getting stinko/And we'll think no more of Inco/On a Sudbury Saturday Night'), two young men came up from the audience with their own boards to stomp along

Connors sang many of his old favorites, including *Big Joe Mufferaw*, about a Paul Bunyan-type logger from the Ottawa Valley ("They say Big Joe drank a bucket o' gin/And he beat the hvin' tar out of 29 men"), and *Bud the Spud*, about a potato-hauling truck driver ("The spuds are big/On the back of Bud's rig/ They're from Prince Edward Island") He also offered more recent numbers, such as his tribute, *Lady k.d lang* ("Her main claim to fame was how she sang with a twang/And jumped around like a 'rang-ee-tang'"). Towards the end of the two-hour concert, the enthusiastic audience clapped and sang along as Connors performed requests. Afterward, the musician spent almost an hour signing autographs Said Owen Sound riding stable operator Joan MacDonell: "He tells stories in his songs that help you to laugh at yourself." Declared another audience member Owen Sound ambulance driver Rick Ribbel, 36 "He has flair—someone who's totally true to himself "

Connors embarked on his current tour with two conditions no radio stations as concert presenters and no interviews with the media. According to tour organizers he feels that the media have trivialized his crusade to Canadianize the country's airwaves and its music industry But between sets in Owen Sound he agreed to talk to *Maclean's*. The flinty-eyed Connors sat with a cigarette and a can of cold beer in his Winnebago parked behind the auditorium, discussing the reasons for his comeback. He acknowledged that he would have been happy to continue living comfortably off his record royalties, but he said that a member of his generation needed to take a stand on some critical issues facing Canada, to set an example for young people Said Connors "There's a feeling out there, especially after free trade, that if we don't find roots fast we're going to be uprooted " He added: "I'm not saying keep the Americans out Just give Canadians their due—and we're overdue for that "

Between songs in the concert, Connors frequently promoted domestic talent At one point he said, "Anyone with a few ounces of Canadianism is better than 150,000 lb of Americanism any day." And he said that his entire band, crew and tour organizers are all Canadian By reviving his campaign on behalf of the country's performers Connors is likely to once again become a thorn in the side of the entertainment industry He says that when he hosted *Stompin' Tom's Canada*, a half-hour country music show, which aired on CBC TV in the 1974-1975 season, he ignored the producers' requests to feature some American guests. As a result, he says, he was never asked to do another show.

Then, in 1975, Connors boycotted Toronto's Canadian National Exhibition when he learned that he was going to be paid $2,500 for a two-hour concert while American country singer Charley Pride received $35,000 for performing six songs And when he stopped performing the following year, he returned all seven of his Juno Awards because, he said, the music industry was honoring too many "border jumpers," Canadian artists who lived and worked in the United States

The main object of his scorn remains Canadian radio, which he says is still guilty of not giving proper exposure to music that he describes as "identifiably Canadian." He began a campaign in 1986 to persuade radio stations to increase their Canadian content, releasing *Stompin' Tom Is Back—to Assist Canadian Talent (A C T)*, an album featuring three of his own compositions as well as unknown artists singing their own material The record was accompanied by a manifesto urging consumers to send the album to their local radio station, and then to request that the station play the songs. If the stations refused, Connors said that supporters should organize petitions or boycotts. The campaign failed, in part because he refused to give interviews to promote the record Still he says that he intends to continue the fight. "The industry thought I'd just spout off and then go away Now that I'm back, I'm going to keep on talking They say you get older and mellower, but, by Jesus, I'm just the same way [I've] always been "



BRIAN WILLER/MACLEAN'S

With his wife, Lena: determined to Canadianize the airwaves

His critics in the music business call him a crank And even some of his friends, including Peterborough, Ont , radio disc jockey Sean Eyre, who is helping to promote the current tour, say that Connors has a childlike naïveté. Eyre acknowledges that he refused to play Connors's music in 1965 because, he now recalls, he thought that the lyrics could have been written by a grade-schooler. But, as Connors began to win national acclaim, Eyre says that he reconsidered the music And he adds that, like many others, he admires Connors for his principles and single-mindedness. "Everyone has a price," said Eyre, "but not him He can't be bought—he's true-blue "

Connors's early life was racked by uncertainty The son of a transient teenage mother and a father he never knew, Connors was placed by the Children's Aid Society in an orphanage in Saint John, N B , when he was about four. He once told the poet Alden Nowlan in an interview that orphanage staff "beat hell out of me, and everybody else, with leather straps and bamboo canes and whatever else they could lay their hands on And if they couldn't find anything to hit you with, they grabbed you by the hair and almost twisted your head off "

Three years later, Connors was adopted by a family in Skinner's Pond, P E I But when he was 13, he ran away and armed only with a Grade 9 education, went to work on the Saint John docks Later, he bought his first guitar while hitchhiking through Eastern Canada, and worked picking tobacco and digging graves. Then, in 1964, in Timmins, Ont., he found himself a nickel short for a beer at the Maple Leaf Hotel The manager, Gate Lepine, told him he could make up the difference singing a few songs with his guitar

That performance led to a 14-month run at the Timmins hotel—and to Connors's rising fame. He began recording singles including *Tillsonburg*, about the misery of Ontario's migrant tobacco workers Soon, Connors was performing in a Toronto bar and, eventually, in 2,750-seat Massey Hall. By 1971, Connors could afford to team up with partner Jury Krytiuk to form his own successful company, Boot Records, and to release albums by other Canadian artists

Connors's 10 years of stardom were followed by at least as many away from the stage But he says that he has thoroughly enjoyed that period of retirement "I've been drinking a lot of beer, smoking a lot of cigarettes and writing some songs," he said. Singer Tom Gallant, the opening act on the current tour, adds that Connors has been "throwing great parties, playing chess, writing songs and singing for friends until sunrise."

But in Owen Sound last week, Connors's energy and spirit made it seem that he had never abandoned the concert stage. By the time he sang his ribald *Muktuk Annie* three-quarters of the way through the concert, he had already reduced his stompin' board to splinters. At the end of the show, he launched into his battle-hymn-like *Unity for All*, solemnly singing the chorus, "The maple leaf is unity/Means the flag will never fall."

As Connors left the stage, walking behind the Canadian flag, the crowd gave him another standing ovation. When he came back out for an encore, he gave the Owen Sound audience what he knew they wanted: another rendition of *Around the Bay and Back Again*. As he takes his show across Canada this summer, Stompin' Tom will be sweetening his patriotic message in a similar way the man from Skinner's Pond claims to have a song for almost every town on the tour

NICHOLAS JENNINGS *in Owen Sound*

Hitting the big time

Canadian plays aim for commercial success

Last fall, a couple from Milwaukee travelled to Toronto to see the mega-hit *Les Misérables*. Disappointed by the musical, they tried to salvage their trip by going to a more obscure, Canadian play, George F. Walker's *Love and Anger*, at the run-down, 230-seat Factory Theatre. They loved it. Later, they praised it to Factory publicist John Karastamatis—and their experience passed into the lore surrounding the longest-running (more than six months) original Canadian play in Toronto's history.

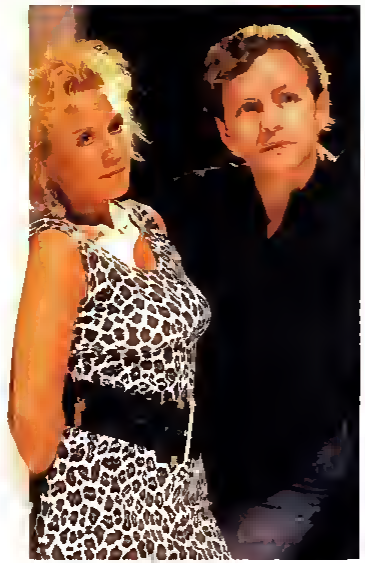
Now, after playing to 40,000 people, it is striving for an even bigger audience. Last week, with backing from entertainment mogul Garth Drabinsky, *Love and Anger* made an unprecedented leap into the commercial big time, opening amid a Broadway-style advertising blitz at the more luxurious, 876-seat Bluma Appel Theatre. That development—along with the move of two other nonprofit plays to Toronto's commercial stage—was hailed as a breakthrough by the theatre community. Said Robert Wallace, a Toronto-based expert on the Canadian stage and a drama professor at Glendon College: "What we are seeing here is the birth of a whole new possibility for our theatre—mounting commercially viable shows written by Canadians."

No original Canadian, nonmusical stage production has had that kind of large-scale support before. In the past, even the most popular domestic dramas—virtually all of them developed in small, grant-subsidized theatres—have had to close after a few weeks. Small theatres simply do not have the advertising budgets, seating capacity or, very often, the scheduling freedom to take advantage of their own hits.

But now, private financing arrangements are making longer profit-oriented runs possible. Last week, another hit from the nonprofit stage, *Unidentified Human Remains and the True Nature of Love*, by Edmonton's Brad Fraser, began a commercial run in a downtown Toronto theatre. And, in another sign of confidence in Canadian drama, Toronto producers Ed and David Mirvish, the father-and-son team behind *Les Misérables*, have included Tomson Highway's *Dry Lips Oughta Move to Kapuskasing* in their 1990-1991 season. The award-winning play, which is set on an Indian reserve, and which originated in a subsidized establishment, opens on April 15 next year at the Royal Alexandra Theatre.

In the case of *Love and Anger*, the shift to the commercial stage has been costly. Drabinsky, former chairman of Cineplex-Odeon and Toronto producer of the mega-musical *The Phantom of the Opera*, said that his Live Entertainment Corp. had so far spent "around $200,000" on *Love and Anger*, mainly for promotion. But, with characteristic bravado, and pointing to the show's extraordinary popularity, he added, "It's not a risk at all."

Drabinsky has an option to rent the Bluma Appel Theatre until the end of the summer, when he must turn it back to its resident theatre company. After that, if the play is still drawing crowds, he faces the chronic problem of Toronto producers: a lack of mid-size theatres without seasons of their own where successful shows can be remounted. "We desperately need two or three theatres of 500 to 750 seats," he said.





Zann, Carver in Remains; *Blais, Beatty in* Love and Anger *(below): Broadway style*

Love and Anger's hero, Petie Maxwell (Peter Blais), is a former corporate lawyer who, after a stroke, decides to start defending the disadvantaged—including a streetwise schizophrenic named Sarah (Nancy Beatty)—against the white male power structure that he had served. Petie's war is farcical and frequently hilarious, but it shares an unsentimental toughness with Fraser's *Unidentified Human Remains and the True Nature of Love*. Set in Edmonton in the late 1980s, the play focuses on three old friends, the homosexual David (Brent Carver), his roommate, Candy (Lenore Zann), and the married Bernie (Henry Czerny). Emotionally adrift, they play out their troubled relationships against a local police hunt for a serial killer.

Financially, *Unidentified Human Remains* is starting its new run on a much smaller scale than *Love and Anger*. Instead of enlisting the resources of a Drabinsky or a Mirvish, the show's producers—Toronto's Crow's Theatre—have sold shares worth $70,000 to Alliance Entertainment Corp. and to individuals, including members of the cast. "This way," said Crow's artistic director, Jim Millan, "we retain the rights to the play. Artistic control need never pass out of our hands." That is certainly a danger, but not an inevitability; playwright Walker says that Drabinsky has not interfered artistically with Factory Theatre's production of *Love and Anger*.

Whether Canada develops a commercial theatre with roots deep in its own culture may depend on the current experiments in Toronto. Said Walker, who is directing his own play: "This production is about something much, much bigger than the success or failure of one particular play. I just hope we don't mess up. I want people to feel they can do this kind of thing in the future."

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BOOKS

Showboat diplomacy

Sondra Gotlieb describes her Washington days

WASHINGTON ROLLERCOASTER
By Sondra Gotheb
(Doubleday, 220 pages, $24.95)

On Embassy Row, she was Washington's twinkling hostess, and was once introduced as "the wife of Canada." She became notorious for the "slap," but she was best known for her celebrated parties Still, by her own account, Sondra Gotheb was an appendage, as useful as a gallbladder to her husband, Allan, during his eight-year term as Canadian ambassador to the U.S She also considered herself a diplomatic aberration· an unsophisticated woman from Winnipeg who dropped among the moneyed international set in 1981 with all the aplomb of a clown at a tea party. But how she loved to gossip—and how she revels in peeling back the phoneyness with the sharp eye and wicked pen that she employs in *Washington Rollercoaster*

As a freelance writer, Gotheb has fashioned a career around titillation In *First Lady, Last Lady*, a novel of sly swipes at mandarin Ottawa published shortly before the posting to Washington, Gotheb's heroine refused to go the United States as the wife of the Canadian ambassador because the job was "all prestige and no power." In America, Gotheb embellished her theme on the op-ed page of *The Washington Post*. Her satirical *Dear Beverly* columns were thinly disguised fiction that set Washington spinning with speculation about the real-life models But Gotheb's latest book needs no such second-guessing Skewering pomp with wit, *Rollercoaster* gleefully pins name tags on its victims.

The hostess had an evident knack for concocting the kind of big-ticket mix of politicians, celebrity journalists and show-business personalities that could fill notebooks with gossip A gathering of Washington's political upper crust departs, stone-faced, after a private showing of *The Decline of the American Empire*, a film that newscaster David Brinkley called "the worst movie I've ever seen in my life." Senators vault over hedges to escape an after-dinner comedy routine by Canada's Dave Broadfoot. And Margaret Trudeau lurches upstairs for a nap after a lunch of vodka martinis and oyster stew, descending five hours later to discuss, according to Gotheb, "the international situation" over hamburgers.

While her husband lobbied for free trade on Canada's behalf, Gotheb used parties to crack the stuffiness of a town that customarily retires at 10 30 p m. "Powerful people in Washington dislike standing in line for anything except a metal detector," she notes. The metal detector, she explains, indicated that the president or vice-president were at the party too,

As the title suggests, notoriety has its price. Gotheb's social descent began when she slapped the face of her social secretary, Connie Connor, before a March, 1986, party to honor Prime Minister Brian Mulroney. As Gotheb describes it, the event was an innocent affair that was quickly resolved. In her first public explanation of the incident, she says that she was exhausted and overwrought, partly because she had forsaken food to fit into a new red dress. A mortified Washington closed ranks around her, but it was never the same

Slaps resound throughout *Washington Rollercoaster*. That may delight readers but will no doubt leave Gotheb's targets as red-faced and embarrassed as the hapless Connie Connor.

E. KAYE FULTON

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香港



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THE INSIDE STORY

TOURING ONTARIO



By Michael Budman and Don Green

"Algonquin Provincial Park. It's Ingrained in Our Spirits." Don Green: The first time I experienced Algonquin Park was visiting my brother at Camp Tamakwa when I was six years old. What struck me that day was the entrance to Algonquin Park. This magical, enchanted gate where you stop your car and a ranger asks you a few questions about camping. It's a beautiful stone structure and at the time they had some wooden bears on top of some posts. You pass through the gate and you're in the Park. | Michael Budman: I vividly remember those gates too when I first went to the Camp in 1956. Being from Detroit, what stands out in my mind is the whole adventure of getting there. Taking a train to Toronto, a bus and finally a boat to the Camp. I remember how beautiful and clean the lake was and the different clothing that was worn in association with camp. | DG: I should mention that Michael and I did not originally meet each other at Camp Tamakwa. It was just a coincidence that we both had this same early experience. We are both from Detroit and actually met in high school in 1962. | MB: At first, it was the Camp that got us to the Park but as we grew older, it was the Park itself. We both fell in love with the lore of the Park - tom toms and the type of people who lived there like Dan Gibson and Omar Stringer. You have to take a boat to get to both our cabins and it's a very demanding way of life. Algonquin Park is an enchanted forest and a magnificent place. I feel that it can be ranked with any place in the world for its natural beauty and splendor. | DG: Every year at Camp, Michael and I would go on canoe trips through the Park and since then we have gone on numerous canoe trips. There is not a better experience for building character. It's very rigorous and demanding with everyone working and pulling together and it's an invaluable experience in life. | We have experienced everything on these trips over the years, from bears eating all our food and back packs being dumped in about seven feet of water to tremendous amounts of rain and being soaked to the skin and trying to get dried out. | MB: Going to Algonquin Park for us is a total family experience and its' why Don and I moved to Canada from the United States. It's so great going some place, being at your own campsite and not having any modern distractions. Don and I swim a mile each day and our kids see us chopping wood and making the camp fires and dealing with the elements. These are basic lessons that really teach you how to live. My son is four and this is going to be his fifth summer in Algonquin Park. | DG: One thing that we love about the Park is that it isn't commercial. It's been a preserve for about 100 years now. There are 3,000 lakes in the Park and you can drive about 30 miles before coming across civilization. Its rugged but it feels safe. | What's really interesting is that wherever we go we carry the lifestyle of Algonquin Park with us. It's ingrained in our spirits.

compiled by Laura Goldstein



Michael Budman and Don Green are the co-creators of Roots Canada, an idea that was conceived in Algonquin Park.

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FILMS

Sublime imports

Two European movies cast irresistible spells

Unlike Hollywood movies—usually created by cartels of agents, producers and stars—European cinema tends to reflect the visions of directors. It has evolved into a literature of sorts, and directors have come to be known as auteurs (literally, authors). Two subtitled films now in Canada offer radically different examples of European writer-directors in sublime control of their craft. France's *Monsieur Hire* is a psychological tale of love and murder that casts a mesmerizing spell. Italy's *The Icicle Thief* is an absurdist comedy about what happens when a movie's intimate spell is shattered by an onslaught of TV commercials.



Scene from The Icicle Thief: *frenzy*

Directed and co-written by Patrice Leconte, *Monsieur Hire* is based on the 1933 novel *Les Fiançailles de Monsieur Hire* (*The Engagement of Mr. Hire*) by celebrated French mystery writer Georges Simenon, the creator of Insp. Maigret. The story begins with the discovery of a young woman's corpse. She has been murdered, and although evidence is scant, a tailor named Monsieur Hire (Michel Blanc) is a suspect. A balding recluse with pallid skin and an antiseptic gaze, he dresses in black and has the air of an undertaker. Hire spends his spare time standing inertly at the window of his darkened apartment and spying on a neighbor named Alice (Sandrine Bonnaire). Alice, apparently, does not believe in curtains. Even more surprising, once she catches Hire in the act, her fright gives way to fascination; she tries to seduce him.

The movie's erotic premise is questionable, but there is more to the voyeurism of *Monsieur Hire* than meets the eye. While the murder mystery lurks discreetly in the background, the emotional mystery of the title character is slowly unravelled. In a performance of brilliant subtlety, Blanc reveals the fragile psyche beneath Hire's eerie calm. And as Alice, who pursues Hire despite her love for another, Bonnaire is a study in sensual intrigue.

Leconte directs with consummate sensitivity. His camera conveys emotion through the play of light on a character's skin, through a reflection found in a pool of blood. And although the images are exquisite, they are never gratuitous. A delicate tragedy of hidden motives and repressed desires, *Monsieur Hire* lingers like a dream, haunting and enigmatic.

By contrast, *The Icicle Thief* is a serenely playful comedy about the corruption of art by contemporary commerce. A movie within a movie, it satirizes the impact of TV culture on the integrity of serious film-making. The title echoes *The Bicycle Thief*, Italian director Vittorio De Sica's 1948 neorealist classic about a working-class man who scours Rome for the man who stole his bicycle. In the new movie, director and co-writer Maurizio Nichetti appears as himself, a frazzled moviemaker who shows up at a TV studio to talk about his film *The Icicle Thief* before it is aired. The program's pompous host leaves Nichetti no time to speak. And, during the broadcast of his movie, Nichetti is shocked to see it interrupted by commercials at inappropriate moments.

Those advertisements intrude on a black-and-white drama set in the 1940s that mimics the story and style of *The Bicycle Thief*. It is less a parody of De Sica than an affectionate homage. And Nichetti, without his floppy moustache and frizzy hair, stars as Antonio, who steals a chandelier on his first day of work at a glass factory and tries to carry it home on his bicycle.

Intermittently, the action shifts to a modern Italian family distractedly watching the broadcast of the movie. A pregnant wife chats on the phone during the commercials; her husband hides behind a newspaper, and their son constructs a scale model of the Kremlin out of Lego on the living-room floor. In a series of fanciful twists, characters start stepping back and forth between the color TV commercials and the black-and-white film like inter-dimensional refugees. A statuesque blonde dives into a swimming pool in a commercial and is magically washed ashore in the Nichetti movie—her blue bathing suit an anomaly in a black-and-white world. It takes a while for the farce to get rolling. But once it does, it is irresistible.

Characters have stepped through the screen in other movies, notably *The Purple Rose of Cairo* (1985), American director Woody Allen's nostalgic tale about a downtrodden housewife who seeks refuge in the movies. And Nichetti, who casts himself as a neurotic, resembles Allen in many respects. But, with its Chaplinesque slapstick and social satire, *The Icicle Thief* displays an impertinence that Allen abandoned long ago. Deftly, Nichetti shows that a true mark of comic sophistication is recognizing the value of the cheap gag.

BRIAN D. JOHNSON

Maclean's

BEST-SELLER LIST

FICTION

1 **Friend of My Youth,** *Munro (1)*
2 **Skinny Legs and All,** *Robbins (7)*
3 **September,** *Pilcher (6)*
4 **Titmuss Regained,** *Mortimer (8)*
5 **Golden Fox,** *Smith (3)*
6 **The Evening News,** *Hailey (2)*
7 **The Bourne Ultimatum,** *Ludlum (5)*
8 **The Stand,** *King*
9 **Devices and Desires,** *James (9)*
10 **Quincunx,** *Palliser (4)*

NONFICTION

1 **Towards a Just Society,** *edited by Axworthy and Trudeau (1)*
2 **Barbarians at the Gate,** *Burrough and Helyar (2)*
3 **Megatrends 2000,** *Naisbitt and Aburdene (3)*
4 **Parting with Illusions,** *Pozner*
5 **Means of Ascent,** *Caro (6)*
6 **Washington Rollercoaster,** *Gottlieb*
7 **Links,** *Rubenstein*
8 **Simons de Beauvoir,** *Bair (8)*
9 **Liar's Poker,** *Lewis (9)*
10 **I Am Right, You Are Wrong,** *De Bono (5)*

() Position last week

Compiled by Brian Bethune

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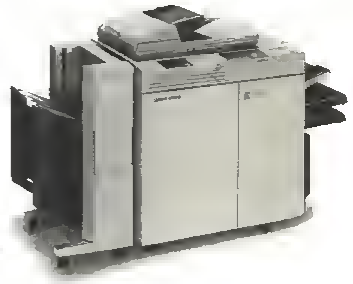
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On a clear day you can see . . . walls

BY ALLAN FOTHERINGHAM

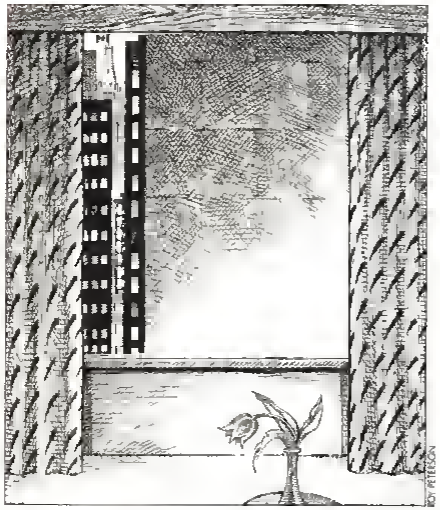
One of the more pleasant sights in this country, over the past decade or so, has been the view out the window of the Four Seasons Hotel in Ottawa. It sits four blocks or so down from Parliament Hill, and its room-length windows give (gave) a wall-to-wall view of that Presbyterian Gothic pile of stone topped by the Peace Tower. A chap could wake in the morning, roll over, open one eye and check the time on the Peace Tower clock while estimating how many exciting hours existed before Question Period. You really felt, well, *Canadian*—linked with that clock with the flag on top.

Well, everything endeth, and that view is passing too. Across the street from the 18-storey hotel is rising another uglified concrete mass, something with the ludicrous name of World Trade Plaza. This is not unusual, as we know, since uglified concrete monsters are erected everywhere, as anthropologists in some distant age will marvel when they dig into the midden we have left behind as our gift to beauty.

What is so striking here is that the architectural gem known as the World Trade Plaza is bang-smack right across the street, right up on the sidewalk. No step-back breathing space, no plaza, no courtyard, no nothing. This is standard for downtown Ottawa, a dismal collection of glass-and steel towers that house the swivel servants, and could be in Cleveland or Pittsburgh or anywhere.

It is as if in a time warp. When, elsewhere, civic authorities insist on the glass-and-steel honeycombs being stepped back from the street froot a bit, to allow some breathing room, Ottawa lets these soulless crates lean over the sidewalks and intimidate the already intimidated clerks who work in the town that fun forgot.

Our lovable capital is a schizophrenic place. On the one hand, it has the National Capital Commission, which busts its gut trying to turn Queen Victoria's unfortunate choice into a place of pride. There are great sweeping driveways, the celebrated Rideau Canal world's longest skating rink, flowers and greenery in season and some nice touches in public places. The new National Gallery in its superb setting on the edge of Parliament Hill looks across the river to the rather eccentric Museum of Personkind. The Château Laurier is an icon of its own.



But, two steps away from all this? It is a mess, a concrete mess created first by the winsome bully Bob Campeau (now known in New York as The Ugly Canadian). The Trudeaucrats made Campeau a millionaire by allowing him to violate the building height restrictions that were to protect the primacy of the Peace Tower—now made to look like a pimple amid the glass and steel.

The reason Washington is arguably the most beautiful capital in the world (Paris is not a capital; it is a beautiful woman) is that no building is allowed to be higher than 13 storeys, so the monuments—the Washingtoo Monument, the Lincoln Memorial, the Jefferson—can dominate. Ottawa city council, cowed by developers who followed the Campeau lead, does not regard the Peace Tower as a monument.

The goofiness is rampant, as if no one learned from San Francisco when its citizens awoke in a rage one day a good decade ago and saw concrete freeways ruining its priceless shoreline and chopped off—in mid-construction—a mindless cement ramp that, to this day, sits there as a reminder of what might have been. Vancouver, in its city-council greed for tax revenues, has pretty well succeeded in blocking off its harbor and mountains from view.

Toronto is hopeless and hapless: children growing to puberty without ever knowing they are actually living on a lake. The other day, the annual meeting of the Ontario Association of Architects had Kenneth Frampton in town to give them a spanking. Born and educated in England, he now teaches at Columbia University and is justifiably famous as an architectural historian and critic.

Toronto is so proud of its SkyDome marvel that it is rather nauseating. Frampton wondered aloud why on God's earth would a city planning department allow such a "world's first convertible stadium"—as the locals bill it—to be scrunched into a piece of real estate without so much as a landscaped approach, a proper forecourt. He deemed it "madness."

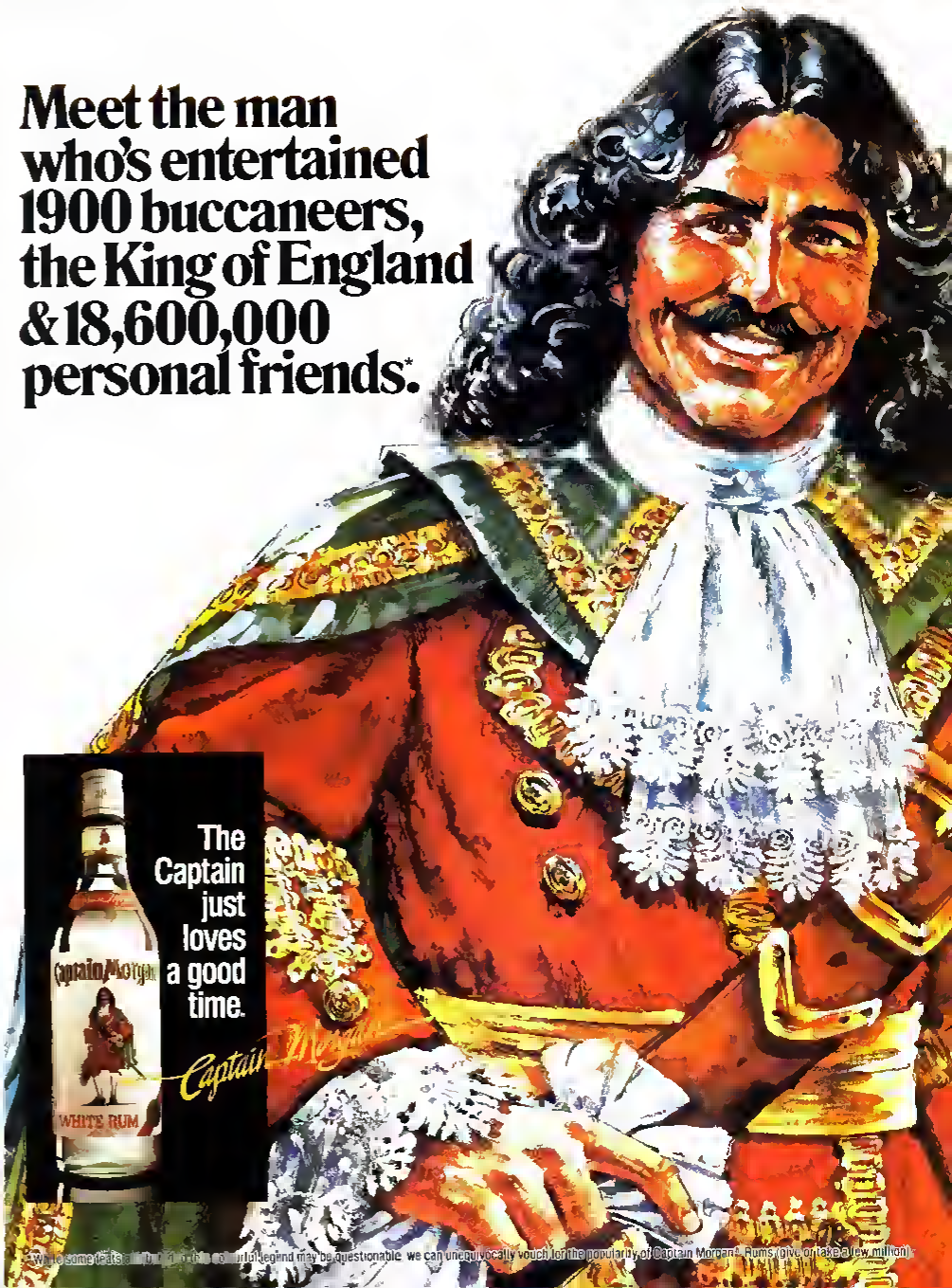
Of course it's madness. The same version of madness that moves the Toronto civic brains to clump into one tiny area the CN Tower, a convention centre, the Roy Thomson Hall (named after that famed patron of the arts), now the SkyDome and, arising, the new CBC headquarters. Cheek and jowl. It is mind-set gridlock.

It was the considered wisdom several years ago that we had learned something about the evils of packing large towers together—the wind-tunnel effect. On certain days at King and Bay, such are the gusts that stenographers have been known to lose their pantyhose. The gales that sweep down the canyons of commerce in all of our cities were supposed to have cleared the minds of architects and town planners.

If so, they have not yet penetrated the craniums of those who are supervising the downtown look of Ottawa, where it still looks as if the 1950s existed. The former main drag, Sparks Street, has been redone—and is redone every several years—into a pitiful little mall that serves as a collection pool for tin-voiced leftover hippies from the Gatineau hills begging for donations to their bad Bob Dylan imitations.

Their taste is in the same league with the developers and the city planners.

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